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# RHODE ISLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FISCAL YEAR ENDED JUNE 30, 1988

DEPARTMENT [illegible] ADMINIST
[illegible] ACCOUNTS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT
# OF THE
# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
# FOR THE
# FISCAL YEAR ENDED JUNE 30, 1988

DEPARTMENT OF ADMINISTRATION

JOHN J. KANE, DIRECTOR

OFFICE OF ACCOUNTS AND CONTROL

LAWRENCE C. FRANKLIN, JR., C.P.A., STATE CONTROLLER

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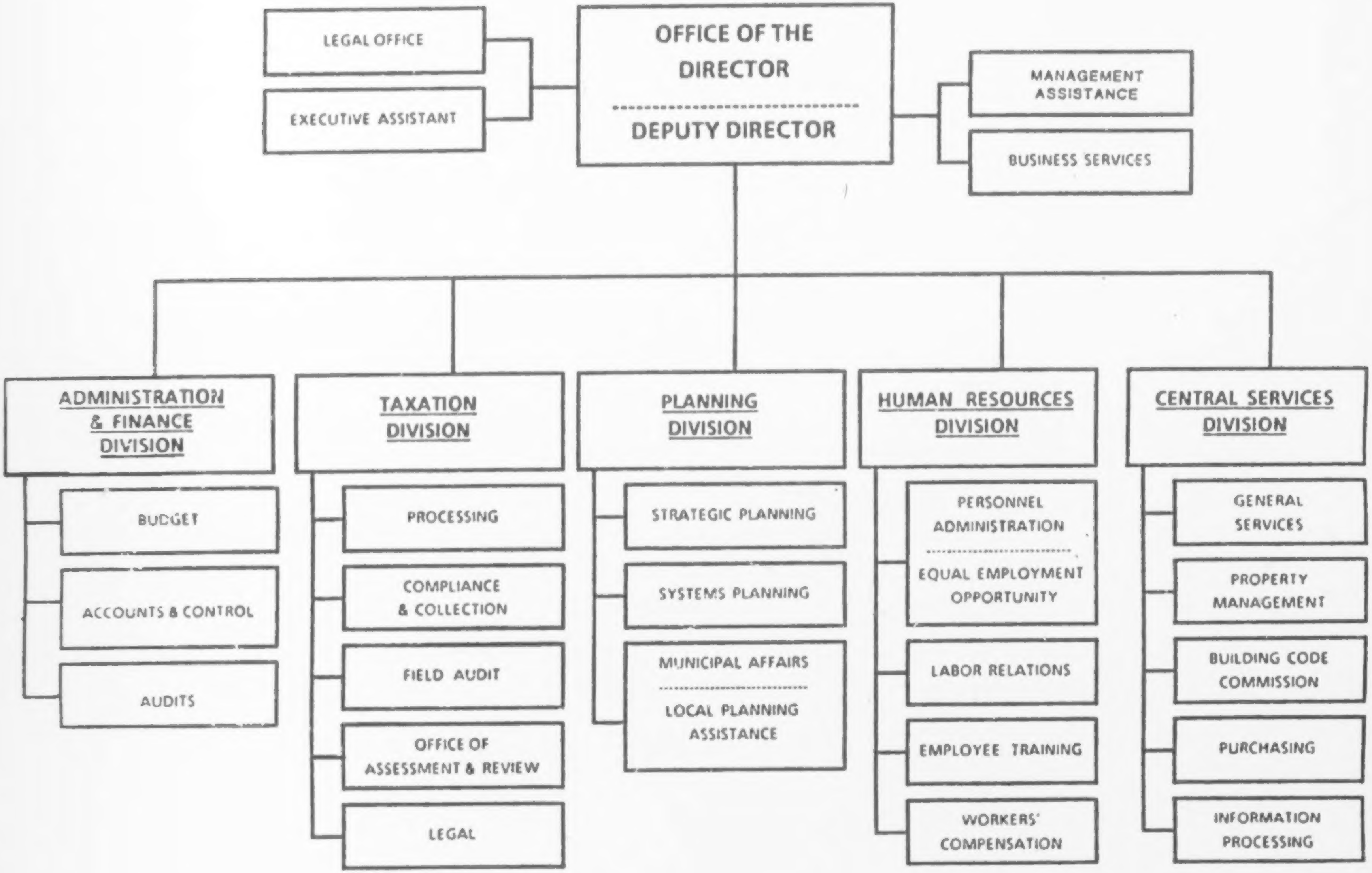
# DEPARTMENT OF ADMINISTRATION

## ORGANIZATION CHART



- OFFICE OF THE DIRECTOR
  - DEPUTY DIRECTOR
  - LEGAL OFFICE
  - EXECUTIVE ASSISTANT
  - MANAGEMENT ASSISTANCE
  - BUSINESS SERVICES
  - ADMINISTRATION & FINANCE DIVISION
    - BUDGET
    - ACCOUNTS & CONTROL
    - AUDITS
  - TAXATION DIVISION
    - PROCESSING
    - COMPLIANCE & COLLECTION
    - FIELD AUDIT
    - OFFICE OF ASSESSMENT & REVIEW
    - LEGAL
  - PLANNING DIVISION
    - STRATEGIC PLANNING
    - SYSTEMS PLANNING
    - MUNICIPAL AFFAIRS / LOCAL PLANNING ASSISTANCE
  - HUMAN RESOURCES DIVISION
    - PERSONNEL ADMINISTRATION / EQUAL EMPLOYMENT OPPORTUNITY
    - LABOR RELATIONS
    - EMPLOYEE TRAINING
    - WORKERS' COMPENSATION
  - CENTRAL SERVICES DIVISION
    - GENERAL SERVICES
    - PROPERTY MANAGEMENT
    - BUILDING CODE COMMISSION
    - PURCHASING
    - INFORMATION PROCESSING

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
JOHN J. KANE
DIRECTOR
119 State House
Providence, R. I. 02903

February 28, 1989

The Honorable Edward D. DiPrete
Governor of the State of Rhode Island
Executive Chamber
State House
Providence, RI  02903

Dear Governor DiPrete:

Transmitted herewith is the Comprehensive Annual Financial Report of the State of Rhode Island and Providence Plantations for the fiscal year ended June 30, 1988, as prepared by the State Controller, Lawrence C. Franklin, Jr., CPA.

This report is based on generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB). It contains the certificate of the State Auditor General, as provided for by Section 35-7-10 of the General Laws.

Sincerely yours,

John J Kane

John J. Kane
Director

JJK:nc

Enclosure

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
OFFICE OF THE STATE CONTROLLER
544 Elmwood Avenue
Providence, R.I. 02907

February 28, 1989

Mr. John J. Kane, Director
Department of Administration
State House
Providence, Rhode Island

Dear Mr. Kane:

In accordance with Section 35-6-1 of the General Laws, I am hereby submitting the Comprehensive Annual Financial Report of the State of Rhode Island and Providence Plantations for the fiscal year ended June 30, 1988, which includes general purpose financial statements prepared by this office and audited by the Auditor General of the State of Rhode Island.

The Comprehensive Annual Financial Report contains introductory information, combined statements, combining statements, and individual fund and account group statements plus certain schedules to demonstrate financial relationships and statistical data.

Notes to the combined financial statements, beginning on page 26, are an integral part of these statements.

These statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

This is the forty-ninth annual financial report prepared by the Office of Accounts and Control. In addition to this comprehensive report, a condensed financial report which highlights the results of general fund operations and the status of state debt is available for general distribution. The general public is invited to obtain copies of this condensed report from the Office of Accounts and Control.

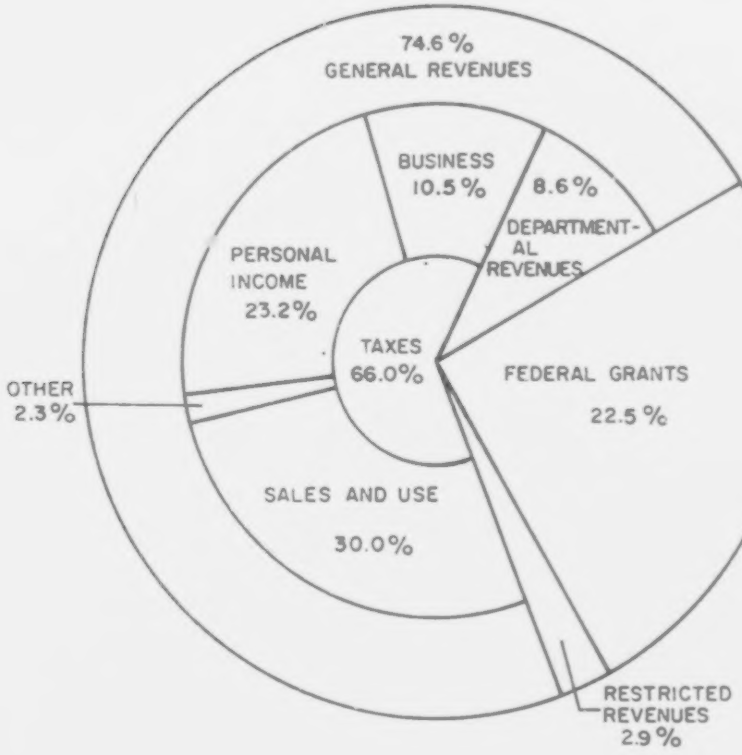
The general fund is maintained to finance all authorized activities not accounted for in other governmental funds, special funds, or public authorities and corporations.

General fund cash and investments as of June 30, 1988 decreased $4,162,788 from the prior year. Fund balance available at June 30, 1988 to finance appropriations of the following year amounted to $114,666,353. Current year operations resulted in an increase in available fund balance of $8,905,909. General revenues increased $82.0 million or 7.0%. Total general fund revenues increased $108.3 million or 7.0%.

## GENERAL FUND

| | Fiscal Year (Dollars in Thousands) | | Increase | |
|---|---|---|---|---|
| Revenues | 1988 | 1987 | Amount | Percent |
| General Revenue | | | | |
| Taxes | $1,103,199 | $1,032,874 | $ 70,325 | 6.8% |
| Departmental Revenue | 144,660 | 132,935 | 11,725 | 8.8 |
| Total General Revenue | $1,247,859 | $1,165,809 | $ 82,050 | 7.0% |
| Restricted Revenue | 48,382 | 37,766 | 10,616 | 28.1 |
| Federal Grants | 376,739 | 361,106 | 15,633 | 4.3 |
| Total Revenues | $1,672,980 | $1,564,681 | $108,299 | 6.9% |

The following pie chart shows percentages of total General Fund revenues collected.



For further information concerning General Fund revenues, refer to the following Exhibits:

A-3 General Fund - Statement of Revenues - Estimated and Actual.

S-1 General Fund Revenues - Ten Years.

S-2 Chart of Revenues - Ten Years.

S-3 General Revenue by Source - Ten Years.

S-4 Summary of Principal Sources of General Revenue - Five Years (including tax rate changes).

S-23 Chart of Federal Grants Received - All Funds - Ten Years.

General revenue expenditures increased $174.8 million or 11.0%. Total general fund expenditures increased $159.5 million or 10.4%.

## GENERAL FUND

| Expenditures | Fiscal Year (Dollars in Thousands) 1988 | 1987 | Increase Amount | Percent |
|---|---|---|---|---|
| General Revenue | $1,255,685 | $1,130,879 | $174,806 | 11.0% |
| Restricted Revenue | 45,584 | 35,339 | 10,245 | 29.0 |
| Federal Grants | 389,245 | 364,765 | 24,480 | 6.7 |
| Total Expenditures | $1,690,514 | $1,530,983 | $159,531 | 10.4% |

## MAJOR PURPOSES OF EXPENDITURES

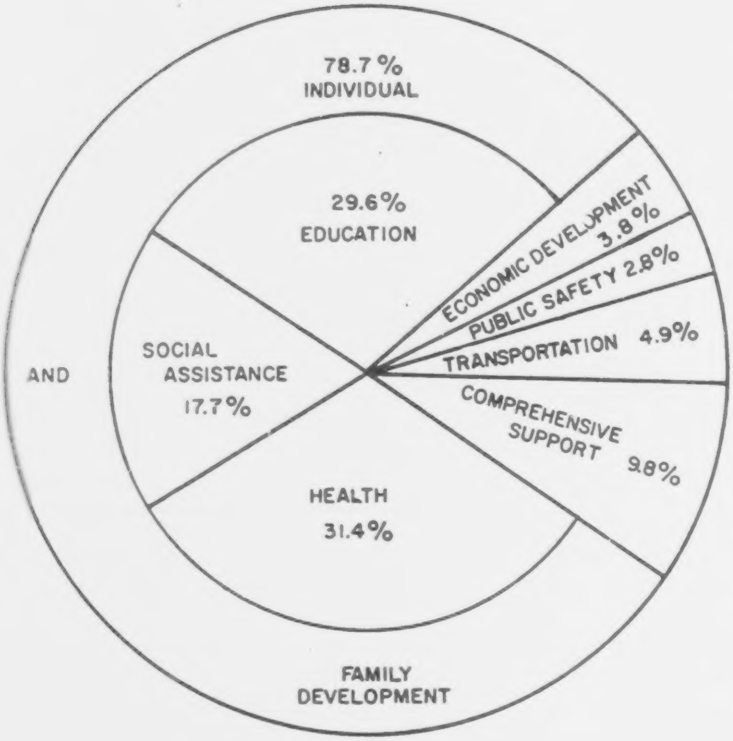
The total expenditures of the general fund classified as to major purposes for the current year (Exhibit S-8) and the previous fiscal year are summarized below.

| Expenditures | Fiscal Year (Dollars in Thousands) 1988 | 1987 | Increase (Decrease) Amount | Percent |
|---|---|---|---|---|
| Personal Services | $ 303,442 | $ 274,511 | $ 28,931 | 10.5% |
| Benefit Programs | 90,977 | 78,284 | 12,693 | 16.2 |
| Contractual Services | 37,682 | 30,449 | 7,233 | 23.8 |
| Operating Supplies and Expenses | 119,518 | 106,414 | 13,104 | 12.3 |
| Capital Outlay | 13,942 | 10,489 | 3,453 | 32.9 |
| Grants and Claims | 948,834 | 859,542 | 89,292 | 10.4 |
| Fixed Charges | 44,051 | 47,334 | (3,283) | (6.9) |
| Transfers | 132,068 | 123,960 | 8,108 | 6.5 |
| | $1,690,514 | $1,530,983 | $ 159,531 | 10.4% |

Expenditures by function of government presented in Exhibit S-7 show that the major increases are in:

| | | | |
|---|---|---|---|
| Individual and Family Development | $119.2 million or | 9.8% | over last year |
| Comprehensive Support | 24.0 " | 17.0% | " " " |
| Transportation | 9.1 " | 17.7% | " " " |

The following pie chart shows the percentages of total general fund expenditures by function.



For further information concerning general fund expenditures, refer to the following exhibits:

| | |
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| S-5 | Expenditures - Ten Years |
| S-6 | Chart of Expenditures - Ten Years |
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| S-25 | Statement of Expenditures - General Fund and Special Revenue Funds |

STATE EMPLOYEE BENEFIT PROGRAMS (Exhibits S-8 and S-21)

The cost of personal services includes the cost of employee benefits such as overtime pay, longevity, and incentive increase, shift differential, sick and vacation pay, guaranteed additional holiday pay for certain employees, in addition to the following expenditures for Employee Benefit Programs:

| General Fund | Amount in Thousands | | |
|---|---|---|---|
| Programs | 1988 | 1987 | Increase (Decrease) |
| Pension and Retirement | $36,386 | $32,321 | $ 4,065 |
| Social Security (F.I.C.A.) | 20,620 | 18,143 | 2,477 |
| Unemployment Compensation | 553 | 787 | (234) |
| Medical Insurance | 33,418 | 27,033 | 6,385 |
| Total | $90,977 | $78,284 | $ 12,693 |

As indicated in Exhibit S-21, state employees are required to share the cost of most of these programs. For 1988, the employee cost (all funds) was $65,129,758, the state cost was $143,816,563, and the total cost was $208,946,321.

I sincerely hope that this report will provide useful financial information about the State of Rhode Island.

Respectfully submitted,

Lawrence C Franklin

LAWRENCE C. FRANKLIN, JR., CPA
State Controller

# FINANCIAL SECTION

State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY
Office of the Auditor General
180 NORWOOD AVENUE
CRANSTON, RHODE ISLAND 029

ANTHONY PICCIRILLI
*Auditor General*

February 3, 1989

## Independent Auditor's Report

Finance Committee of the House of Representatives and
Joint Committee on Legislative Services, General Assembly,
State of Rhode Island and Providence Plantations

We have audited the combined financial statements of the State of Rhode Island and Providence Plantations at June 30, 1988 and for the year then ended as listed below:

| | Exhibit |
|---|---|
| Combined Balance Sheet - All Fund Types and Account Groups | I |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Trust Funds | II |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - University and Colleges - All Governmental Fund Types | III |
| Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types | IV |
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| Combined Statement of Changes in Financial Position - Public Authorities and Corporations | VII |
| Statement of General Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund | VIII |
| Combined Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual - University and Colleges - General Educational Funds | IX |

These financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on the combined financial statements based on our audit. We did not audit the financial statements of the university and colleges, certain public authorities and corporations, and certain enterprise funds, which statements reflect total assets of $2,422 million at June 30, 1988 and revenues of $585 million for the year then ended constituting 45 percent and 19 percent, respectively, of the related combined totals for the entity. These statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

The State has not completed the accumulation of historical information as to the cost and classification of its investment in general fixed assets. Accordingly, the combined balance sheet does not include the statement of the general fixed assets account group which is required by generally accepted accounting principles.

In our opinion, except that the omission of the statement of the general fixed assets account group results in an incomplete presentation as explained in the preceding paragraph, the combined financial statements referred to above present fairly, in all material respects, the financial position of the State of Rhode Island and Providence Plantations at June 30, 1988, and the results of its operations and the changes in financial position of its proprietary fund types and public authorities and corporations for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 17 (Contingencies - Public Authorities and Corporations) to the combined financial statements, the Rhode Island Solid Waste Management Corporation has become a defendant in a number of legal actions and the subject of investigations and orders by certain governmental agencies. Developments in these matters during 1988 have increased the likelihood that the Corporation will incur significant costs in resolving the underlying issues and taking remedial actions. The amount of such costs is presently not determinable, and no provision for any liability has been made in the accompanying financial statements.

As discussed in Note 18 to the combined financial statements, the State has changed its accounting for the general long-term debt account group for the year ended June 30, 1988.

Our examination was made for the purpose of forming an opinion on the combined financial statements, as a whole. The accompanying combining and individual fund and account group statements and schedules, as enumerated in the Table of Contents (A-1 through J-3-2), are not necessary for a fair presentation in conformity with generally accepted accounting principles of the financial position of the State, and the results of its operations and the changes in the financial position of its proprietary fund types and public authorities and corporations, but are presented as additional financial information that is appropriate for the State's comprehensive annual financial report. These additional statements and schedules have been subjected to the auditing procedures applied in the audit of the combined financial statements of the State and, in our opinion, based upon our audit and the reports of other auditors are fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Sincerely,

Anthony Piccirilli

Anthony Piccirilli, C.P.A.
Auditor General

# FINANCIAL SECTION

Exhibit/
Schedule

GENERAL PURPOSE FINANCIAL STATEMENTS:

Combined Balance Sheet - All Fund Types and Account Groups.............. I

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Trust Funds................................................ II

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Notes to Combined Financial Statements

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit 1-1

# COMBINED BALANCE SHEET
## ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1988
(Expressed in Thousands)

| | Governmental Fund Types | | | Proprietary Fund Types | | |
|---|---|---|---|---|---|---|
| ASSETS | General (A-1) | Special Revenue (B-1) | Capital Projects (D-1) | Enterprise (E-1) | Internal Service (F-1) | Trust and Agency (G-1) |
| Cash | $ 23,196 | $ 10,087 | $ 91 | $ 2,059 | $ 7,111 | $ 7,752 |
| Funds in Trust (Custody of U. S. Treasury) | | 241,843 | | | | |
| Investments | 147,144 | 74,738 | 54,190 | 47,990 | | 1,593,008 |
| Receivables (Net of Allowance for Uncollectibles) | | | | | | |
| Taxes | 58,470 | 1,943 | | | | |
| Accounts | 14,428 | 1,715 | | 9,311 | 1,330 | 121 |
| Accrued Interest | | | | 321 | | |
| Notes and Loans | | | | 3,244 | | |
| Due from Other Funds | 15,731 | 3,593 | | 615 | 886 | |
| Due from Other Governments and Agencies | 42,436 | 44,517 | 5,468 | 3,062 | | |
| Inventories | | | | 296 | 1,582 | |
| Deferred Compensation Held by Insurance Companies | | | | | | 38,118 |
| Land | | | | 1,731 | | |
| Fixed Assets | | | | 128,723 | 6,810 | |
| Accumulated Depreciation, Depletion, and Amortization | | | | (27,845) | (3,430) | |
| Other Assets | | | | 1,174 | | |
| Amount Available in Debt Service Funds | | | | | | |
| Amount to be Provided for the Retirement of General Long-Term Debt | | | | | | |
| Rentals Due for Payment of Principal and Current Interest on Revenue Bonds | | | | | | |
| Total Assets | $ 301,405 | $ 378,436 | $ 59,749 | $ 170,681 | $ 14,289 | $ 1,638,999 |
| LIABILITIES AND FUND EQUITY | | | | | | |
| Liabilities: | | | | | | |
| Cash Overdraft | $ | $ 9 | $ 5,770 | $ 2,278 | $ | $ |
| Vouchers and Accounts Payable | 83,158 | 19,701 | 7,296 | 3,915 | 4,604 | 3,539 |
| Due to Other Funds | | 2,622 | 4,455 | 5,199 | 4,733 | |
| Due to Other Governments and Agencies | 8,503 | 42 | | 314 | | 1,544 |
| Due to State Employees - Deferred Compensation Plan | | | | | | 38,118 |
| Accrued Liabilities | 11,721 | 1,115 | | 1,149 | 285 | 6 |
| Deferred Revenue | | 6,582 | | 336 | | |
| Notes Payable | | | | 1,847 | | |
| Obligations Under Capital Leases | | | | | | |
| Bonds Payable | | | | 26,375 | | |
| Loans Payable | | | | 8,520 | | |
| Other Liabilities | 4,643 | | 27 | 14,847 | | 5,881 |
| Total Liabilities | $ 108,025 | $ 30,071 | $ 17,548 | $ 64,780 | $ 9,622 | $ 49,088 |
| Fund Equity: | | | | | | |
| Equity in Fixed Assets of Automotive Equipment Fund | $ | $ | $ | $ | $ 3,380 | $ |
| Contributed Capital | | | | 93,104 | | |
| Unexpended Funds | | | | | | |
| Retained Earnings | | | | 12,797 | 1,112 | |
| Fund Balance: | | | | | | |
| Reserved for Encumbrances | | 214,895 | 69,832 | | | 38 |
| Reserved for Debt Retirement | | | | | | |
| Reserved for Pension Benefits | | | | | | 1,586,193 |
| Reserved for Employment Insurance Programs | | 300,920 | | | | |
| Other Reserves | 41,721 | 41 | | | 175 | 305 |
| Appropriations Carried Forward | 36,993 | | | | | |
| Unreserved: | | | | | | |
| Designated for Incomplete Projects | | 79,884 | 175,505 | | | |
| Undesignated | 114,666 | (247,375) | (203,136) | | | 3,375 |
| Total Fund Equity | $ 193,380 | $ 348,365 | $ 42,201 | $ 105,901 | $ 4,667 | $ 1,589,911 |
| Total Liabilities and Fund Equity | $ 301,405 | $ 378,436 | $ 59,749 | $ 170,681 | $ 14,289 | $ 1,638,999 |

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

EXHIBIT I-2

## COMBINED BALANCE SHEET
## ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1988
(Expressed in Thousands)

| | | University and College Fund Types | | | |
|---|---|---|---|---|---|
| ASSETS | General Long-Term Debt (H-1) | Governmental (C-1) | Fiduciary (C-2) | General Long-Term Debt (C-3) | Public Authorities and Corporations (J-1) |
| Cash | $ | $ 12,583 | $ 379 | $ | $ 19,218 |
| Funds in Trust (Custody of U. S. Treasury) | | | | | |
| Investments | | 12,611 | 228 | | 883,206 |
| Receivables (Net of Allowance for Uncollectibles) | | | | | |
| Taxes | | | | | |
| Accounts | | 9,429 | 29 | | 6,353 |
| Accrued Interest | | 21 | | | 22,049 |
| Notes and Loans | | 10,068 | | | 1,040,410 |
| Due from Other Funds | | 946 | 79 | | |
| Due from Other Governments and Agencies | | | | | 1,626 |
| Inventories | | 1,750 | | | 2,792 |
| Deferred Compensation Held by Insurance Companies | | | | | |
| Land | | | | | 21,452 |
| Fixed Assets | | | | | 131,774 |
| Accumulated Depreciation, Depletion, and Amortization | | | | | (26,322) |
| Other Assets | | 84 | | | 28,392 |
| Amount Available in Debt Service Funds | | | | 2,472 | |
| Amount to be Provided for the Retirement of General Long-Term Debt | 483,356 | | | 10,234 | |
| Rentals Due for Payment of Principal and Current Interest on Revenue Bonds | | | | | 133,256 |
| Total Assets | $ 483,356 | $ 47,492 | $ 715 | $ 12,706 | $ 2,264,205 |
| LIABILITIES AND FUND EQUITY | | | | | |
| Liabilities: | | | | | |
| Cash Overdraft | $ | $ 2,297 | $ | $ | $ 360 |
| Vouchers and Accounts Payable | | 10,804 | 1 | | 9,680 |
| Due to Other Funds | | 1,026 | | | 5,690 |
| Due to Other Governments and Agencies | | | | | 895 |
| Due to State Employees - Deferred Compensation Plan | | | | | |
| Accrued Liabilities | | | | | 48,495 |
| Deferred Revenue | | 4,679 | | | 7,065 |
| Notes Payable | | | | | 126,177 |
| Obligations Under Capital Leases | 126,791 | | | 427 | |
| Bonds Payable | 336,725 | | | 12,279 | 1,640,355 |
| Loans Payable | 19,840 | | | | |
| Other Liabilities | | | 714 | | 67,393 |
| Total Liabilities | $ 483,356 | $ 18,806 | $ 715 | $ 12,706 | $ 1,906,110 |
| Fund Equity: | | | | | |
| Equity in Fixed Assets of Automotive Equipment Fund | $ | $ | $ | $ | $ |
| Contributed Capital | | | | | 31,651 |
| Unexpended Funds | | | | | 61,355 |
| Retained Earnings | | | | | 31,296 |
| Fund Balance: | | | | | |
| Reserved for Encumbrances | | 6,595 | | | |
| Reserved for Debt Retirement | | 2,537 | | | |
| Reserved for Pension Benefits | | | | | |
| Reserved for Employment Insurance Programs | | | | | |
| Other Reserves | | 19,554 | | | 197,356 |
| Appropriations Carried Forward | | | | | |
| Unreserved: | | | | | |
| Designated for Incomplete Projects | | | | | |
| Undesignated | | | | | 36,438 |
| Total Fund Equity | $ | $ 28,686 | $ | $ | $ 358,096 |
| Total Liabilities and Fund Equity | $ 483,356 | $ 47,492 | $ 715 | $ 12,706 | $ 2,264,206 |

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit II

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND TRUST FUNDS

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

| | Governmental Fund Types | | | | |
|---|---|---|---|---|---|
| | General (A-2) | Special Revenue (B-2) | Capital Projects (D-2) | Trust and Agency (G-2) | Total (Memorandum Only) |
| **Revenues:** | | | | | |
| Taxes | $ 1,103,199 | $ 166,347 | $ | $ | $ 1,269,546 |
| Fines and Penalties | 12,294 | | 55 | 850 | 13,199 |
| Licenses, Fees, Sales, and Services | 117,531 | 2,053 | | 1,317 | 120,901 |
| Departmental Restricted Revenues | 48,382 | | | | 48,382 |
| Intergovernmental Revenue: | | | | | |
| Federal | 376,739 | 119,965 | 15,810 | 231 | 512,745 |
| State | | 786 | | | 786 |
| Municipal | | 1,471 | | | 1,471 |
| Contributions | | 7,304 | | 170,070 | 177,374 |
| Income from Investments | 7,180 | 23,816 | 19 | 164,640 | 195,655 |
| Unclaimed Property | | | | 3,317 | 3,317 |
| Miscellaneous | 7,655 | 388 | | 1,700 | 9,743 |
| Total Revenues | $ 1,672,980 | $ 322,130 | $ 15,884 | $ 342,125 | $ 2,353,119 |
| **Expenditures:** | | | | | |
| Individual and Family Development | $ 1,330,322 | $ 122,453 | $ 20,226 | $ 115,089 | $ 1,588,090 |
| Economic Development | 64,783 | 27,281 | 11,837 | | 103,901 |
| Public Safety | 47,060 | | 219 | | 47,279 |
| Transportation | 83,438 | 130,557 | 21,279 | | 235,274 |
| Comprehensive Support | 164,911 | | 138 | 660 | 165,709 |
| Miscellaneous | | | | 2,945 | 2,945 |
| Capital Outlays - Master Lease Program | | | 9,048 | | 9,048 |
| Total Expenditures | $ 1,690,514 | $ 280,291 | $ 62,747 | $ 118,694 | $ 2,152,246 |
| Excess (Deficiency) of Revenues over Expenditures | $ (17,534) | $ 41,839 | $ (46,863) | $ 223,431 | $ 200,873 |
| **Other Financing Sources (Uses):** | | | | | |
| Bonds Issued | $ | $ | $ 119,110 | $ | $ 119,110 |
| Proceeds of Loan from R.I. Refunding Bond Authority | | | 19,722 | | 19,722 |
| Lease Participation Certificates Issued | | | 9,048 | | 9,048 |
| Increase in Reappropriations | (3,297) | | | | (3,297) |
| Increase in Amounts Due from Federal Government and Others | 8,383 | | | | 8,383 |
| Adjustments-Prior Year Transactions | 3,743 | | | | 3,743 |
| Repayment of Loans | 240 | | | | 240 |
| Debt Service | | | (219) | | (219) |
| Transfer to Escrow Holder | | | (19,722) | | (19,722) |
| Interfund and Intrafund Transfers | 17,371 | 40,951 | (38,273) | (4,003) | 16,046 |
| Total Other Financing Sources (Uses) | $ 26,440 | $ 40,951 | $ 89,666 | $ (4,003) | $ 153,054 |
| Increase in Fund Balance | $ 8,906 | $ 82,790 | $ 42,803 | $ 219,428 | $ 353,927 |
| Fund Balance (Deficit), July 1 | $ 105,760 | $ 265,575 | $ (602) | $ 1,370,483 | $ 1,741,216 |
| Fund Balance, June 30 | $ 114,666 | $ 348,365 | $ 42,201 | $ 1,589,911 | $ 2,095,143 |

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit III

## UNIVERSITY AND COLLEGES

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

| | University of Rhode Island (C-5) | Rhode Island College (C-8) | Community College of Rhode Island (C-11) | Total (Memorandum Only) |
|---|---|---|---|---|
| Revenues: | | | | |
| State Appropriations | $ 64,537 | $ 28,780 | $ 24,843 | $ 118,160 |
| Student Tuition and Fees | 36,342 | 10,112 | 7,704 | 54,158 |
| Federal Appropriations | | 23 | | 23 |
| Grants, Gifts, and Student Aid: | | | | |
| Federal | 29,337 | 3,595 | 2,362 | 35,294 |
| State | 1,979 | 1,376 | 977 | 4,332 |
| Private | 3,332 | | 156 | 3,488 |
| Educational Activities | | 742 | | 742 |
| Auxiliary Enterprises | 24,509 | 4,617 | 2,374 | 31,500 |
| Investment Income | | | 243 | 243 |
| Other Sources | 6,798 | 678 | 836 | 8,312 |
| Total Revenues | $ 166,834 | $ 49,923 | $ 39,495 | $ 256,252 |
| Expenditures: | | | | |
| Personnel Services | $ 93,594 | $ 35,120 | $ 26,518 | $ 155,232 |
| Operating: | | | | |
| Cost of Sales | 5,199 | 1,403 | 1,696 | 8,298 |
| Out of State Travel | 768 | 117 | 48 | 933 |
| Repairs | 2,458 | 1,900 | 685 | 5,043 |
| Utilities | 4,512 | 1,047 | 1,253 | 6,812 |
| Other | 15,902 | 4,085 | 2,993 | 22,980 |
| Sponsored Programs | 23,705 | | 1,501 | 25,206 |
| Student Aid | 8,921 | 4,103 | 2,437 | 15,461 |
| Capital | 6,497 | 1,429 | 908 | 8,834 |
| Debt Service: | | | | |
| University Obligations | 1,078 | 234 | 176 | 1,488 |
| State Obligations | 2,398 | 769 | 1,584 | 4,751 |
| Total Expenditures | $ 165,032 | $ 50,207 | $ 39,799 | $ 255,038 |
| Excess (Deficiency) of Revenues over Expenditures | $ 1,802 | $ (284) | $ (304) | $ 1,214 |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In | $ 1,797 | $ | $ | $ 1,797 |
| Mandatory | | 183 | 176 | 359 |
| Non-Mandatory | | 70 | | 70 |
| Board of Governors for Higher Education | | 228 | 122 | 350 |
| Operating Transfers Out: | | | | |
| Mandatory | (1,318) | (184) | (176) | (1,678) |
| Nonmandatory | (478) | (70) | | (548) |
| Board of Governors for Higher Education | (350) | | | (350) |
| Proceeds from Rhode Island Health and Educational Building Corporation Taxable Revenue Bonds | 3,920 | | | 3,920 |
| Total Other Financing Sources (Uses) | $ 3,571 | $ 227 | $ 122 | $ 3,920 |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses | $ 5,373 | $ (57) | $ (182) | $ 5,134 |
| Fund Balances, July 1 | 16,649 | 4,986 | 1,917 | 23,552 |
| Fund Balances, June 30 | $ 22,022 | $ 4,929 | $ 1,735 | $ 28,686 |

The accompanying notes are an integral part of this financial statement.

Exhibit IV

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
## ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

| | Enterprise (E-2) | Internal Service (F-2) | Total (Memorandum Only) |
|---|---|---|---|
| Revenues: | | | |
| Sales | $ 54,881 | $ 61,594 | $ 116,475 |
| Sewer Assessments | 18,763 | | 18,763 |
| Guarantee Fees | 506 | | 506 |
| Intergovernmental Revenues: | | | |
| State | 9,751 | | 9,751 |
| Federal | 814 | | 814 |
| Lease and Sale of Property | 241 | | 241 |
| Interest and Penalties | 2,229 | 19 | 2,248 |
| Recoveries of Default Payments | 696 | | 696 |
| Contributions | 29 | | 29 |
| Miscellaneous | 284 | | 284 |
| Total Revenues | $ 88,194 | $ 61,613 | $ 149,807 |
| Expenses: | | | |
| Supplies, Materials, and Services | $ 18,936 | $ 61,643 | $ 80,579 |
| Grants, Scholarships, and Contract Programs | 9,379 | | 9,379 |
| Prize Awards | 30,712 | | 30,712 |
| Other | 451 | | 451 |
| Interest on Bonds and Notes | 1,967 | | 1,967 |
| Depreciation and Amortization | 3,073 | | 3,073 |
| Total Expenses | $ 64,518 | $ 61,643 | $ 126,161 |
| Excess (Deficiency) of Revenues over Expenses | $ 23,676 | $ (30) | $ 23,646 |
| Other Changes in Retained Earnings: | | | |
| Deficit Reimbursement (Earnings Transfer) - General Fund | | (186) | (186) |
| Interfund and Intrafund Transfers | (22,340) | | (22,340) |
| Depreciation Charged to Contributed Capital | 23 | | 23 |
| Loss on Extinguishment of Debt | (30) | | (30) |
| Increase (Decrease) in Retained Earnings | $ 1,329 | $ (216) | $ 1,113 |
| Retained Earnings - July 1 | $ 11,437 | $ 1,328 | $ 12,765 |
| Prior Period Adjustment | 31 | | 31 |
| Retained Earnings, July 1, Restated | $ 11,468 | $ 1,328 | $ 12,796 |
| Retained Earnings, June 30 | $ 12,797 | $ 1,112 | $ 13,909 |

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit V

## COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

| | | |
|---|---|---|
| Revenues: | | |
| Licenses, Fees, Sales, and Services | $ | 59,509 |
| Rental Income | | 18,524 |
| Grants | | 17,019 |
| Interest | | 155,417 |
| Other Income | | 882 |
| Total Revenues | $ | 251,351 |
| Expenses: | | |
| Supplies, Materials, and Services | $ | 55,035 |
| Additions to Provision for Maintenance | | 5,000 |
| Interest | | 133,551 |
| Depreciation, Depletion, and Amortization | | 10,494 |
| Miscellaneous | | 3,302 |
| Total Expenses | $ | 207,382 |
| Excess of Revenues Over Expenses | $ | 43,969 |
| Other Changes in Fund Equity: | | |
| Increase in Unexpended Funds | $ | 761 |
| Bond Principal Payments | | (4,495) |
| Loss on Sale of Property | | (2,518) |
| Gain on Bond Redemption | | 111 |
| Contributed Capital | | 12,361 |
| Distribution of Fund Balance | | (5,518) |
| Net Increase in Fund Equity | $ | 44,671 |
| Fund Equity, July 1 | $ | 313,839 |
| Prior Period Adjustment | | (414) |
| Fund Equity, July 1, Restated | $ | 313,425 |
| Fund Equity, June 30 | $ | 358,096 |

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit VI

## COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
## ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

| | Enterprise (E-3) | Internal Service (F-3) | Total (Memorandum Only) |
|---|---|---|---|
| **Sources of Financial Resources:** | | | |
| Operations: | | | |
| Sales | $ 74,325 | $ 62,454 | $ 136,779 |
| Collection of Mortgage Insurance Premiums | 121 | | 121 |
| Federal Grants | 459 | | 459 |
| Recoveries on Guaranteed Loans | 1,811 | | 1,811 |
| Miscellaneous | 230 | 117 | 347 |
| Total Sources from Operations | $ 76,946 | $ 62,571 | $ 139,517 |
| Other Sources: | | | |
| Proceeds on Bonds Issued | 18,845 | | 18,845 |
| Proceeds from Sale of Investments | 271,772 | 9,800 | 281,572 |
| Proceeds from Advance Refunding Bonds | 270 | | 270 |
| Proceeds on Notes Issued | 374 | | 374 |
| Collections of Loans and Mortgages | 217 | | 217 |
| Interfund Transfers | 11,750 | 689 | 12,439 |
| Investment Earnings and Other Income | 1,923 | 19 | 1,942 |
| Contributed Capital: | | | |
| Federal | 10,345 | | 10,345 |
| State | 6,414 | | 6,414 |
| Increase in Cash Overdraft | 2,067 | | 2,067 |
| Total Sources of Financial Resources | $ 400,923 | $ 73,079 | $ 474,002 |
| **Uses of Financial Resources:** | | | |
| Operations: | | | |
| Supplies, Material, and Service | 49,243 | 62,398 | 111,641 |
| Grants, Scholarships, and Contract Programs | 9,571 | | 9,571 |
| Refund of Receipts | 12 | 1 | 13 |
| Total Uses for Operations | $ 58,826 | $ 62,399 | $ 121,225 |
| Other Uses: | | | |
| Loans Issued | 657 | | 657 |
| Return of Advance from General Fund | 2,040 | | 2,040 |
| Payment of Debt Service | 2,360 | | 2,360 |
| Payment to Escrow Holder and Cost of Issuance | 617 | | 617 |
| Purchase of Investments | 295,934 | 9,450 | 305,384 |
| Interfund Transfers | 22,789 | 326 | 23,115 |
| Fixed Assets | 17,395 | | 17,395 |
| Total Uses of Financial Resources | $ 400,618 | $ 72,175 | $ 472,793 |
| Increase in Cash | $ 305 | $ 904 | $ 1,209 |
| Cash, July 1 | 1,754 | 6,207 | 7,961 |
| Cash, June 30 | $ 2,059 | $ 7,111 | $ 9,170 |

The accompanying notes are an integral part of this financial statement.

Exhibit VII

# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
## PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

| | |
|---|---|
| Sources of Funds: | |
| Licenses, Fees, Sales, and Services | $ 53,475 |
| Rental Income | 13,779 |
| Proceeds from Sale of Bonds and Notes | 152,569 |
| Interest | 150,203 |
| Repayment of Loans | 112,210 |
| State of Rhode Island and Federal Grants | 27,263 |
| Other Sources | 8,139 |
| Total Sources of Funds | $ 517,638 |
| Uses of Funds: | |
| Supplies, Materials, and Services | $ 59,981 |
| Loans Issued | 76,924 |
| Debt Service | 266,077 |
| Other Uses | 9,508 |
| Total Uses of Funds | $ 412,490 |
| Excess of Sources Over Uses | $ 105,148 |
| Other Changes in Financial Position: | |
| Increase in Investments | (78,031) |
| Increase in Fixed Assets | (16,108) |
| Increase in Unexpended Funds | 761 |
| Interfund and Intrafund Transfers | (560) |
| Increase in Cash Overdraft | 360 |
| Increase in Other Assets | (21,815) |
| Decrease in Cash | $ (10,245) |
| Cash Balance, July 1 | $ 29,547 |
| Prior Period Adjustment | (84) |
| Cash Balance, July 1, Restated | $ 29,463 |
| Cash Balance, June 30 | $ 19,218 |

The accompanying notes are an integral part of this financial statement.

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit VIII

## STATEMENT OF GENERAL REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND *

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

| | Legislative Enacted | | | Variance-Amended Budget |
|---|---|---|---|---|
| | Original Budget | Amended Budget | Actual | Favorable** (Unfavorable) |
| **General Revenues:** | | | | |
| Taxes | $ 1,034,000 | $ 1,081,631 | $ 1,103,199 | $ 21,568 |
| Licenses and Fees | 14,100 | 15,032 | 15,979 | 947 |
| Fines and Penalties | 11,600 | 12,311 | 12,294 | (17) |
| Sales and Services | 101,500 | 103,552 | 101,552 | (2,000) |
| Miscellaneous Revenue | 8,000 | 10,902 | 14,835 | 3,933 |
| Total General Revenues | $ 1,169,200 | $ 1,223,428 | $ 1,247,859 | $ 24,431 |
| **General Expenditures:** | | | | |
| Mental Health, Retardation and Hospitals | $ 173,562 | $ 177,889 | $ 177,889 | $ |
| Health | 21,318 | 21,118 | 21,118 | |
| Human Services | 226,650 | 225,124 | 224,116 | 1,008 |
| Corrections | 44,607 | 47,091 | 46,863 | 228 |
| Elementary and Secondary Education | 313,266 | 314,501 | 312,896 | 1,605 |
| State Library Services | 4,124 | 4,011 | 4,006 | 5 |
| Labor | 3,724 | 3,867 | 3,847 | 20 |
| Environmental Management | 26,299 | 26,022 | 25,607 | 415 |
| Business Regulation | 3,676 | 3,617 | 3,555 | 62 |
| Transportation | 62,392 | 66,039 | 64,945 | 1,094 |
| Executive | 27,705 | 29,236 | 29,211 | 25 |
| State | 2,419 | 2,642 | 2,328 | 314 |
| Attorney General | 6,602 | 7,348 | 7,348 | |
| Treasury | 1,960 | 1,967 | 1,920 | 47 |
| Administration | 80,835 | 80,455 | 80,309 | 146 |
| Legislative | 9,993 | 10,994 | 10,004 | 990 |
| Judicial | 24,267 | 25,163 | 24,675 | 488 |
| Other Commissions and Agencies | 12,890 | 13,133 | 12,449 | 684 |
| General | 12,168 | 4,079 | 4,069 | 10 |
| Special Legislative Appropriations | 151 | 1,134 | 1,013 | 121 |
| Economic Development | 6,306 | 6,077 | 5,768 | 309 |
| Elderly Affairs | 8,933 | 8,598 | 8,004 | 594 |
| Children and Their Families | 51,782 | 52,264 | 51,931 | 333 |
| Higher Education | 131,534 | 132,525 | 130,426 | 2,099 |
| Workers' Compensation | 1,601 | 1,608 | 1,388 | 220 |
| Total General Expenditures | $ 1,258,764 | $ 1,266,502 | $ 1,255,685 | $ 10,817 |
| Excess (Deficiency) of General Revenues over General Expenditures | $ (89,564) | $ (43,074) | $ (7,826) | $ 35,248 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers from Lottery Fund | $ 25,000 | $ 25,000 | $ 24,119 | $ (881) |
| Transfers from Reserves (G.L. 35-4) | 6,000 | 6,000 | 6,000 | |
| Transfer to Reserves (G.L. 35-3-20, 35-3-21) | (15,000) | (15,000) | (14,471) | 529 |
| Prior Year Expenditure Refunds and Adjustments | | | 3,576 | 3,576 |
| Appropriations Carried Forward from Fiscal Year Ended June 30, 1987 | 7,673 | 7,669 | 7,669 | |
| Appropriations Carried Forward to Fiscal Year Ending June 30, 1989 | | | (10,161) | (10,161) |
| Total Other Financing Sources (Uses) | $ 23,673 | $ 23,669 | $ 16,732 | $ (6,937) |
| Increase (Decrease) in Available Fund Balance | $ (65,891) | $ (19,405) | $ 8,906 | $ 28,311 |

*This exhibit reflects only the General Fund. Refer to Exhibit IX for University and College funds. Special Revenue funds do not have Legislative enacted budgets.

**A favorable variance indicates that actual revenues are greater than amended budget or actual expenditures are less than amended budget. An unfavorable variance indicates that actual revenues are less than amended budget or actual expenditures are greater than amended budget.

The accompanying notes are an integral part of this financial statement.

Exhibit IX

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## UNIVERSITY AND COLLEGES
## GENERAL EDUCATIONAL FUNDS

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

| | Budget | | | |
|---|---|---|---|---|
| | Executive/ Legislative as Enacted | Board of Governors For Higher Education - Final Allocation | Actual | Variance - Board of Governors Favorable** (Unfavorable) |
| Revenues: | | | | |
| State Appropriations | $ 115,500 | $ 118,216 | $ 118,159 | $ (57) |
| Student Tuition and Fees | 48,945 | 53,786 | 54,158 | 372 |
| Indirect Costs Recovered | 5,597 | 6,646 | 6,455 | (191) |
| Other Sources | 4,799 | 5,320 | 5,776 | 456 |
| Sales and Services, Educational Activities | 1,094 | 1,197 | 1,293 | 96 |
| Total Revenues | $ 175,935 | $ 185,165 | $ 185,841 | $ 676 |
| Expenditures and Encumbrances: | | | | |
| Personnel Services | $ 128,792 | $ 135,142 | $ 135,049 * | $ 93 |
| Operating: | | | | |
| Out of State Travel | 448 | 531 | 555 * | (24) |
| Repairs | 2,060 | 1,723 | 2,299 * | (576) |
| Utilities | 5,131 | 5,358 | 5,273 * | 85 |
| Other | 16,141 | 16,821 | 17,575 * | (754) |
| Workers' Compensation | 142 | 202 | 232 * | (30) |
| Total Operating | $ 23,922 | $ 24,635 | $ 25,934 | $ (1,299) |
| Student Aid | 7,370 | 7,541 | 7,662 * | (121) |
| Asset Protection | 4,716 | 5,488 | 5,171 * | 317 |
| Capital | 4,397 | 4,430 | 6,720 * | (2,290) |
| Debt Service | 4,808 | 4,808 | 4,751 | 57 |
| Academic College Overhead | 1,930 | 3,121 | 2,308 | 813 |
| Total Expenditures and Encumbrances | $ 175,935 | $ 185,165 | $ 187,595 | $ (2,430) |
| Excess (Deficiency) of Revenues over Expenditures and Encumbrances | $ | $ | $ (1,754) | $ (1,754) |
| Other Financing Sources (Uses): | | | | |
| 1987 Academic College Carry Forward | | | 1,101 | 1,101 |
| Allocation to: | | | | |
| Subsequent Year's Expenditures | | | 1,823 | 1,823 |
| Academic College Overhead | | | (1,174) | (1,174) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Encumbrances | $ | $ | $ (4) | $ (4) |

* Includes year end encumbrances.

** A favorable variance indicates that actual revenues are greater than budget or actual expenditures and encumbrances are less than budget. An unfavorable variance indicates that actual revenues are less that budget or actual expenditures and encumbrances are greater than budget.

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Notes to Combined Financial Statements

June 30, 1988

## 1. BASIS OF PRESENTATION OF COMBINED FINANCIAL STATEMENTS

The form and content of the accompanying combined financial statements are based on generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The combined financial statements, as enumerated in the table of contents, present an aggregation by fund type and account group of the individual funds and account groups encompassed within the state's accounting system and of the financial statements of certain public authorities and corporations, not part of that system but considered to be part of the reporting entity of the state. The combined statements, which present financial data in summary form, are the general purpose financial statements of the state. Memorandum totals in the combined financial statements do not represent consolidated amounts. Interfund eliminations have not been made in the aggregation of this data. References to combining and individual fund statements are for the purpose of aiding the reader of the state's Comprehensive Annual Financial Report.

GASB establishes criteria to be considered in determining the components of a reporting entity, principally financial interdependency and/or oversight responsibility. The following component units, in addition to those included under the captions "Enterprise Funds" and "University and Colleges", meet the criteria and are included in the reporting entity under the caption "Public Authorities and Corporations". The reporting entity has been expanded at June 30, 1988 to include the Convention Center Authority and the Rhode Island Refunding Bond Authority. Both of these authorities were established during the fiscal year ended June 30, 1988.

R.I. Port Authority and Economic Development Corporation
R.I. Water Resources Board Corporate
R.I. Solid Waste Management Corporation
R.I. Housing and Mortgage Finance Corporation
R.I. Public Transit Authority
R.I. Turnpike and Bridge Authority
R.I. Public Buildings Authority
R.I. Student Loan Authority
R.I. Industrial Facilities Corporation
Howard Development Corporation
R.I. Public Telecommunications Authority
Convention Center Authority
R.I. Refunding Bond Authority

Another corporation, the Rhode Island Health and Educational Building Corporation, is not included in the reporting entity because it does not meet the criteria of interdependency and oversight.

## 1. BASIS OF PRESENTATION OF COMBINED FINANCIAL STATEMENTS (cont'd)

The accounting system of the state and most of the public authorities and corporations are organized and operated on a fund basis. Individual funds and account groups have been established as separate fiscal and accounting entities to account for financial resources and related liabilities and equities, which have been segregated to carry on specific activities or to attain specific objectives.

## 2. FUND ACCOUNTING AND FUND TYPES

The individual funds and account groups have been classified by type as follows:

### Funds

Governmental:
- General fund
- Special revenue funds
- Capital projects funds

Proprietary:
- Enterprise funds
- Internal service funds

Trust and agency funds

University and college funds

Public authorities and corporations

### Account groups

General fixed assets

General long-term debt

General Fund - This fund accounts for the financing of the principal operations of state government and most jointly financed state-federal programs.

Special Revenue Funds - These funds, in accordance with legal mandates, have been established to account for specific revenues. The principal funds included in this classification are:

Highway Fund, which accounts for state and federal funds to finance most highway projects.

Capital Center Project Fund, which accounts for the relocation of Amtrak's Rail Passenger Station and associated mainline right-of-way in Providence, R.I., and construction of integrated related improvements, as part of the implementation of both the Northeast Corridor Improvement Project and of the Capital Center Project.

2. FUND ACCOUNTING AND FUND TYPES (cont'd)

Special Revenue Funds (cont'd)

Providence River Relocation-Memorial Boulevard Extension Project Fund, which accounts for the relocation of the Moshassuck and Woonasquatucket rivers, and related improvements.

Employment Security Funds, which account for funds available for the payment of benefits to employees who are unemployed or temporarily unable to work due to sickness or injury.

University and College Funds - These funds account for the activities of the state university, the University of Rhode Island, and colleges, Rhode Island College and Community College of Rhode Island. The governmental fund types, which finance most educational functions of the university and colleges include the general educational fund, special revenue funds, debt service funds and capital project funds. In addition, the institutions use fiduciary funds to account for funds held for others and the general fixed assets and general long-term debt account groups to account for fixed assets and debt.

Capital Projects Funds - These funds account for the proceeds of general obligation bonds and any related federal funds to finance capital projects, as well as the proceeds of lease participation certificates for the acquisition of capital equipment.

Enterprise Funds - From time to time, the General Assembly has established state authorities for the purpose of financing and operating certain public facilities. The state statute creating each state authority sets forth the degree of autonomy of each such instrumentality, and governs the nature of their operations, fiscal, and other procedures. Some are encompassed within the state's accounting system; others are not. For those included, enterprise funds have been established to account for their operations in a manner similar to private enterprises. The following are included in the combined financial statements as enterprise funds:

Blackstone Valley District Commission Fund
R.I. Industrial-Recreational Building Mortgage Insurance Fund
Water Development Fund
State Lottery Fund
R.I. Higher Education Assistance Authority Fund
Narragansett Bay Water Quality Management District Commission Fund

2. FUND ACCOUNTING AND FUND TYPES (cont'd)

Internal Service Funds - These funds account for the financing and providing of specified goods and services, on a centralized basis, for other departments and agencies.

Trust and Agency Funds - These funds account for funds held in a trust or agency capacity. The principal funds included in this fund-type grouping are the Employees' Retirement Fund, Municipal Employees' Retirement Fund, Custodial Funds-State Institutions and Payroll and Pension Clearing Fund.

General Fixed Assets Account Group - This account group accounts for all fixed assets, other than those accounted for in the enterprise funds and public authorities and corporations. The state has not completed the accumulation of historical information as to the cost and classification of its investment in general fixed assets.

General Long-Term Debt Account Group - This account group accounts for all unmatured general long-term debt other than debt accounted for in the enterprise funds and public authorities and corporations.

Public Authorities and Corporations - Public authorities and corporations are separate agencies of government that are not under the direct control of the state, but because of financial interdependency and/or the exercise of oversight responsibility are considered part of the state reporting entity.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### GOVERNMENTAL FUNDS

Basis of accounting - modified accrual

Revenue recognition

Revenues are recognized as received in cash except for (a) revenues susceptible to accrual and (b) revenues of a material amount that have not been received at the normal time of receipt.

Revenues susceptible to accrual include taxpayer assessed income, gross receipts, and sales taxes which are considered measurable when in the hands of intermediary collecting agents and are recognized at that time, taxes and accounts receivable deemed collectible and available, and amounts due from the federal government in reimbursement of federal expenditures.

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Revenue recognition (cont'd)

Estimated refunds of personal and corporate income taxes are not accrued and are payable from revenues of the following year.

### Expenditures

Expenditures are recognized when the related delivery of goods has been made or services have been rendered. Exceptions to this rule include (1) accumulated unpaid vacation and sick pay which are recognized when paid and (2) principal and interest on long-term debt which are recognized when due.

### Appropriation accounting

Unexpended restricted revenues and unexpended general and special appropriations, as reappropriated by the Governor, are carried forward at year end and are available for expenditure in the following year. The amount reappropriated, reflected in the balance sheet as part of fund equity, is accounted for as a use of resources in the current year and a source of resources in the subsequent year.

### Advances

Advances from the general fund to internal service funds and departmental imprest cash funds are accounted for as a reduction of unreserved funds of the general fund. At year end, these advances are reflected as both an asset and as reserved fund balance.

### Other

The proceeds of general obligation bonds issued are accounted for as an other financing source.

Capital outlays under the master lease program are accounted for as expenditures within the capital projects funds. The proceeds of the lease participation certificates issued to finance these capital outlays are accounted for as an other financing source.

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### UNIVERSITY AND COLLEGE FUNDS

The financial statements of the university and colleges have been prepared in accordance with the basis of accounting which conforms with generally accepted accounting principles prescribed for state and local governmental units. Such practices differ from generally accepted accounting principles for colleges and universities.

General fixed assets have been acquired for general educational purposes. Assets purchased are recorded as expenditures in the respective funds and capitalized at cost in the general fixed assets account group. Contributed fixed assets are recorded in general fixed assets at estimated fair market value when received.

### PROPRIETARY FUNDS

Basis of accounting - accrual

#### Enterprise funds

The cost of fixed assets is capitalized and depreciation is provided on a straight line basis over the estimated useful lives of the assets.

Contributions from federal and state governments in aid of construction of the Blackstone Valley District Commission Fund and the Narragansett Bay Water Quality Management District Fund are accounted for within the equity of these funds. Depreciation expense is recognized on assets acquired or constructed with these funds. No adjustment is reflected in the statement of revenues, expenses, and changes in retained earnings for the amount of such depreciation; however, Narragansett Bay Water Quality Management District Commission Fund transfers from contributions in aid of construction to retained earnings an amount equal to the annual depreciation charge.

#### Internal service funds

Fixed assets used in the operations of internal service funds, except the automotive equipment fund, are financed by state appropriations to the user departments and agencies. Accordingly, the cost of these assets and related depreciation is not reflected in the financial statements of internal service funds.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Internal service funds (cont'd)

Some costs of operating internal service funds, including direct salaries, fringe benefits and indirect costs, are, for budgetary purposes, included in the appropriations of various departments accounted for within the general fund. Such costs are charged against the departmental appropriations rather than internal service funds.

The automotive equipment fund was created to receive amounts annually appropriated to the various departments and agencies for the replacement of automotive equipment. Automotive equipment, valued at cost, and related depreciation is reflected in the financial statements of internal service type funds.

Retained earnings in excess of 5% of the advances from the general fund in the internal service funds are transferred to the general fund in the succeeding year. Deficits are normally reimbursed by general fund appropriations.

## TRUST AND AGENCY FUNDS

Basis of accounting - accrual

Retirement Funds

The retirement funds, Employees' Retirement and Municipal Employees' Retirement, account for plan assets held in the custody of the General Treasurer for the benefit of plan members. The retirement systems are administered by the Retirement Board. Financial statements reflecting the actuarial requirements of the retirement systems (not included herein) are prepared by the Retirement Board.

## PUBLIC AUTHORITIES AND CORPORATIONS

The basis of accounting used by public authorities and corporations is, with minor exceptions, accrual.

Investments, principally certificates of deposit, commercial paper and U. S. government and other marketable securities are stated at cost, or cost and accrued interest.

Premiums, discounts and issuance costs on bonds and notes issued are amortized over the term of the underlying issues.

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### PUBLIC AUTHORITIES AND CORPORATIONS (cont'd)

Fixed assets are stated at cost or fair market value at date of contribution. Depreciation is provided, generally on a straight line basis, over the estimated useful lives of the property or equipment, except that the R.I. Turnpike and Bridge Authority provides no depreciation in accordance with the specific provision of the trust agreement governing its operations.

The R.I. Turnpike and Bridge Authority, in accordance with the provisions of its' trust agreement, provides amounts, based upon the recommendation of consulting engineers, for non-annually recurring expenses.

Depletion of licensed landfill acreage and sludge area and of mineral deposits is computed over the estimated useful capacity of the site, or based on the amount of mineral deposits sold or used internally, respectively.

Acquisition and financing costs associated with the development of proposed recovery facilities by the R.I. Solid Waste Management Corporation have been deferred as they may be recoverable in future revenues.

The R.I. Public Transit Authority is fully self-insured for workers' compensation claims, liability and property damage claims and has established an accident and casualty reserve fund for the purpose of paying catastrophic self-insured claims and related losses and expenses.

Federal and state government capital grants to the R.I. Public Transit Authority are recorded in fund equity-contributed capital as related expenditures are incurred; assets acquired with capital grants are included in property, plant and equipment. Contributed capital is amortized by the amount of annual depreciation on assets acquired through the grants.

The Convention Center Authority has deferred all operating expenses and consulting and professional fees incurred through June 30, 1988. Once the authority commences operations, these deferred development costs will be amortized over a period of approximately 5 years except for bond counsel fees, which will be amortized over the life of the bonds.

### GENERAL

#### Investments

Investments in bonds and notes maturing after one year are carried at par; all other investments, including equities, are carried at cost.

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### GENERAL (cont'd)

#### Inventory

Inventory type items acquired by governmental funds are accounted for as expenditures at the time of purchase.

Inventories of the university and college funds, such as bookstore, dining, health and residential life services items are stated at the lower of cost or market.

Inventories of the proprietary funds are stated at cost.

#### Fixed assets

The cost of fixed assets acquired by governmental funds and university and college funds is accounted for as an expenditure upon purchase and delivery.

A statement of general fixed assets is not included herein since the information required to prepare such a statement has not been fully developed.

See "Proprietary Funds" and "Public Authorities and Corporations" above for accounting policies with respect to fixed assets of such funds.

#### Vacation and Sick Pay

Unpaid accumulated vacation and sick pay are not accrued. Vacation pay may be discharged, subject to limitations as to carry-over from year to year, by future paid leave or by cash payment upon termination of service. Sick pay may be discharged by payment for an employee's future absence caused by illness or, to the extent of vested rights, by cash payment upon death or retirement. The determination of the amount of these accumulations has not been completed.

#### Other

Accrued expenses such as payroll and employee benefits are recorded as liabilities at the end of the fiscal year. The state has a biweekly payroll system which results, in each eleven year span, in the payment of twenty-six payrolls in each of ten years and of twenty-seven payrolls in the eleventh year. The state has adopted the policy of accruing for the additional payroll that will be paid in the eleventh year, pro rata, over a ten year period ending in that year.

## 4. GENERAL FUND

Sec. 35-6-42 of the General Laws authorizes expenditures on federal grant programs pending the receipt of federal reimbursements. The amount of $42,435,731 due from the federal government and others represents amounts expended under federal and restricted programs, yet not reimbursed. Collections under these programs are reported as revenues when received and the annual increase is reflected in "Other Financing Sources (Uses)".

The amount of $8,502,752 "Due to Other Governments" represents amounts due to municipalities from public service corporation taxes.

The allowance for uncollectible and unavailable taxes and accounts receivable amounts to $6,227,555 and $5,634,703 at June 30, 1988 and 1987, respectively.

Amounts loaned to public corporations are reimbursable to the fund balance of the general fund in accordance with conditions set forth in the statutes authorizing such loans. Rhode Island General Laws provide that all payments made by the R.I. Turnpike and Bridge Authority to the general fund for amounts loaned to the authority for payments of bond interest on state guaranteed bonds shall, if requested in writing by the director of administration, be deposited to a restricted account to be used for the payment of debt service cost (principal and interest) for state general obligation bonds.

The following loans to public corporations are outstanding at June 30, 1988:

| | |
|---|---|
| R.I. Turnpike and Bridge Authority (Ch. 43, P.L. 1965; Ch. 228, P.L. 1966; Ch. 183, P.L. 1967) To be repaid when Authority funds are available. | $5,600,000 |
| Howard Development Corporation (Ch. 150, P.L. 1974) To be repaid when developed properties are sold or otherwise profitably used. | 400,000 |
| Narragansett Bay Water Quality Management District Commission (Ch. 342, P.L. 1980) To be repaid when Commission is self-supporting. | 200,000 |
| R.I. Solid Waste Management Corporation (Ch. 287, P.L. 1986) To be repaid in five installments of $200,000 per year commencing with the fiscal year beginning on July 1, 1986, with the total amount to be fully repaid by June 30, 1991. | 600,000 |
| Total | $6,800,000 |

4. GENERAL FUND (cont'd)

Exhibit VIII compares budgeted and actual general revenues, expenditures, and changes in fund balance. The original legislative enacted budget reflects the budget as passed by the General Assembly and signed by the Governor, and reappropriations made by the Governor at June 30, 1987. The amended budget reflects revisions to revenue estimates, supplemental appropriations for the fiscal year, and certain special appropriations enacted by the General Assembly in the 1987 and 1988 sessions.

## Reserves

The state maintains certain reserves within the general fund in accordance with the General Laws. These reserves accumulate in the general fund until withdrawn by statute or used for the intended purposes pursuant to the enabling legislation.

The State Budget Reserve and Cash Stabilization Account is to be used solely for providing funds to offset any unanticipated general fund deficit caused by a general revenue shortfall. Allocation of 40% of lottery fund transfers to the general fund in fiscal year 1988 have been used to fund the State Budget Reserve and Cash Stabilization Account. The percentage of lottery fund transfers allocated to this reserve will remain at 40% in fiscal year 1989 and thereafter.

The Federal Reduction Relief Account was designed to maintain essential state services that would otherwise be diminished or eliminated by reductions in federal funding. During fiscal year 1988, the legislature appropriated $6,000,000 from this reserve for state programs.

The Public Facilities Asset Protection Account is designed to provide funds for repairs and capital improvements to state-owned facilities. During fiscal year 1988, 20% of lottery fund transfers to the general fund had been allocated to this reserve. The percentage of transfers allocated to this reserve will increase to 30% in fiscal year 1989 and then increase by 10% each fiscal year until 1992 when it reaches 60%.

Other reserves include temporary working capital advances to internal service funds and departmental imprest cash advances.

4. GENERAL FUND (cont'd)

The following table summarizes the activity (in thousands) of these reserves for the fiscal year ended June 30, 1988:

| | Reserved Fund Balance July 1, 1987 | Additions to Reserves | Reductions of Reserves | Reserved Fund Balance June 30, 1988 |
|---|---|---|---|---|
| State Budget Reserve and Cash Stabilization Account | $ 18,333 | $ 9,648 | $ | $ 27,981 |
| Federal Reduction Relief Account | 7,893 | 110 | 6,000 | 2,003 |
| Public Facilities Asset Protection Account | 4,166 | 4,824 | 2,276 | 6,714 |
| Other | 4,471 | 604 | 52 | 5,023 |
| | $ 34,863 | $ 15,186 | $ 8,328 | $ 41,721 |

Lottery fund transfers to the general fund had previously been accounted for as miscellaneous revenue. Effective in fiscal year 1988, these transfers are accounted for as an other financing source.

5. SPECIAL REVENUE FUNDS

Financial data (in thousands) with respect to these funds are summarized as follows:

| | Assets | Fund Balance | Revenues and Other Financing Sources (Uses) | Increase (Decrease) in Fund Balance |
|---|---|---|---|---|
| Highway | $ 47,176 | $ 30,808 | $ 135,259 | $ 14,009 |
| Capital Center Project | 1,390 | | 3,249 | |
| Providence River Relocation - Memorial Boulevard Extension Project | 3,273 | 37 | 6,186 | 127 |
| Employment Security | 247,262 | 246,325 | 163,937 | 74,775 |
| Temporary Disability Insurance | 55,450 | 55,193 | 44,915 | (9,560) |
| Other | 23,885 | 16,002 | 9,535 | 3,439 |
| | $ 378,436 | $ 348,365 | $ 363,081 | $ 82,790 |

Assets of the employment security funds includes $241,842,542 of funds on deposit with the U.S. Department of the Treasury.

## 6. UNIVERSITY AND COLLEGE FUNDS

Financial data (in thousands) with respect to these funds are summarized as follows:

| | Assets | Fund Balance | Revenues | Excess (Deficiency) of Revenues Over Expenditures |
|---|---|---|---|---|
| General Educational | $19,066 | $ 7,769 | $185,841 | $ 1,639 |
| Special Revenue | 25,744 | 18,380 | 70,173 | 885 |
| Debt Service | 2,537 | 2,537 | 238 | (1,310) |
| Capital Projects | 145 | | | |
| | $47,492 | $28,686 | $256,252 | $ 1,214 |

Assets are net of allowances for uncollectible amounts of $2,166,377; including $1,441,591 applicable to special revenue funds.

General educational fund revenues include general fund appropriations, for the university and colleges as follows: University of Rhode Island - $64,536,729; Rhode Island College - $28,779,171; Community College of Rhode Island - $24,843,798, for a total of $118,159,698.

Funds held in trust by the University of Rhode Island Foundation for the future use of the university and its faculty and students are not reflected in the accompanying financial statements. Funds held at March 31, 1988 amounted to $14,104,591. Distributions of $2,639,130 during the year ended June 30, 1988 are included in private gift revenue of the university.

The University of Rhode Island Foundation has agreed to finance the construction of the university's applied engineering laboratory building to the extent of $653,087 from pledges from various donors. As of June 30, 1988, construction has been completed and the foundation has transferred $507,834 to the university. The balance of $145,263 which has been recorded as a receivable in the capital projects fund, will be transferred to the university over a two year period as pledges are received by the foundation.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Notes to Combined Financial Statements

June 30, 1988

## 7. ENTERPRISE FUNDS

Financial data (in thousands) with respect to these funds are summarized as follows:

| | Assets | Fund Equity | Revenues | Excess of Revenues Over Expenses |
|---|---|---|---|---|
| Blackstone Valley District Commission | $ 47,576 | $ 28,078* | $ 7,140 | $ 372 |
| Industrial-Recreational Building Mortgage Insurance | 3,621 | 3,607 | 373 | 245 |
| Water Development | 1,582 | 1,469 | 254 | 18 |
| State Lottery | 18,291 | 1,052 | 55,691 | 22,017 |
| Higher Education Assistance Authority | 11,193 | 9,734 | 12,314 | 35 |
| Narragansett Bay Water Quality Management District | 88,418 | 61,961* | 12,422 | 989 |
| | $170,681 | $105,901 | $ 88,194 | $23,676 |

*Includes contributions in aid of construction in the amount of $26,831,927 for Blackstone Valley District Commission and $66,271,931 for Narragansett Bay Water Quality Management District Commission.

In November, 1987, a statewide voter referendum passed which merged the assets, liabilities and functions of the Recreational and Industrial Building Authorities, resulting in an entity designated as the R.I. Industrial - Recreational Building Authority.

## 8. INTERNAL SERVICE FUNDS

Operations of the internal service funds resulted in a net operating loss of $30,102 for the year ended June 30, 1988. A combined deficit of ($149,794), attributable to the Workers' Compensation Fund ($8,514), the General Services Fund ($90,798) and the Correctional Industries Fund ($50,482), must be funded in the ensuing fiscal year.

## 9. TRUST AND AGENCY FUNDS

Financial data (in thousands) with respect to these funds are summarized as follows:

|  | Assets | Fund Balance | Revenues | Increase (Decrease) in Fund Balance |
|---|---|---|---|---|
| State Employees' Retirement | $1,393,947 | $1,392,495 | $302,316 | $195,979 |
| Municipal Employees' Retirement | 193,701 | 193,697 | 33,131 | 23,700 |
| Other | 4,301 | 3,064 | 5,136 | (245) |
| Custodial Funds | 2,003 | 350 | 1,015 | (10) |
| Payroll and Pension Clearing | 45,046 | 304 | 527 | 4 |
|  | $1,638,998 | $1,589,910 | $342,125 | $219,428 |

Fund balance of the state employees' and municipal employees' retirement funds is reserved for the future payment of pension benefits (See Note 15 - Pension Plans).

The payroll and pension clearing fund provides the facility of a single account for processing state employees' salaries, pensions and their mandatory and voluntary deductions. Fund balance is reserved for future group life insurance payments. This fund also accounts for the state employees' deferred compensation plan (See Note 13).

## 10. PUBLIC AUTHORITIES AND CORPORATIONS

Financial data (in thousands) with respect to the public authorities and corporations are summarized as follows:

|  | Assets | Fund Equity | Revenues | Excess (Deficiency) of Revenues Over Expenses |
|---|---|---|---|---|
| R.I. Port Authority and Economic Development Corporation | $ 46,177 | $ 40,162 | $ 9,022 | $ 1,464 |
| R.I. Water Resources Board Corporate | 1,538 | 991 | 12 | (4) |
| R.I. Solid Waste Management Corporation | 214,192 | 37,264 | 46,079 | 21,598 |
| R.I. Housing and Mortgage Finance Corporation | 1,522,596 | 165,168 | 125,812 | 11,356 |
| R.I. Refunding Bond Authority | 20,566 | 1 | 489 | 1 |
| R.I. Public Transit Authority | 32,267 | 24,692 | 22,332 | (2,745) |
| R.I. Turnpike and Bridge Authority | 78,306 | 9,443 | 9,810 | 578 |
| R.I. Public Buildings Authority | 214,748 | 64,624 | 20,438 | 10,229 |
| R.I. Student Loan Authority | 123,453 | 6,692 | 11,286 | 294 |
| R.I. Industrial Facilities Corporation | 752 | 745 | 417 | 267 |
| Howard Development Corporation | 6,224 | 5,415 | 3,026 | 751 |
| Convention Center Authority | 288 |  |  |  |
| R.I. Public Telecommunications Authority | 3,094 | 2,899 | 2,628 | 180 |
|  | $2,264,206 | $358,096 | $251,351 | $43,969 |

10. PUBLIC AUTHORITIES AND CORPORATIONS (cont'd)

Notes and Loans Receivable

At June 30, 1988 the following public authorities and corporations had notes and loans receivable:

| | |
|---|---|
| R.I. Housing and Mortgage Finance Corporation | $ 900,458,660 |
| R.I. Student Loan Authority | 113,356,034 |
| R.I. Port Authority and Economic Development Corporation | 6,907,047 |
| R.I. Refunding Bond Authority | 19,688,184 |
| | $1,040,409,925 |

Loans receivable of the R.I. Housing and Mortgage Finance Corporation are secured by a first lien on real and personal property and, in some instances, are federally insured. Loans receivable of the R.I. Student Loan Authority are insured by the R.I. Higher Education Assistance Authority, which in turn has a reinsurance agreement with the federal government. Notes receivable of the R.I. Port Authority and Economic Development Corporation include principal and interest on a loan made for the purpose of constructing and equipping a shipbuilding facility. Loans receivable of the R.I. Refunding Bond Authority represent amounts borrowed by the state to advance refund bonds (See Note 12).

Rhode Island Turnpike and Bridge Authority

During the year ended June 30, 1988, the authority repaid to the state's general fund $400,000 of the $13,371,565 original liability for interest that the state had paid on authority bonds guaranteed by the state. The current balance of $5,600,000 is included in "Due to Other Funds" in the combined balance sheet at June 30, 1988.

## 10. PUBLIC AUTHORITIES AND CORPORATIONS (cont'd)

### Rhode Island Public Transit Authority

Revenues of the authority include operating assistance grants of $15,102,648 from the federal and state governments. The authority may require continued assistance to continue operating at its present level.

The authority has established an accident and casualty reserve fund for the purpose of paying catastrophic self-insured claims and related losses and expenses. This reserve fund is augmented annually by depositing interest income earned on all investments in the token fund and accident and casualty reserve fund.

### Rhode Island Solid Waste Management Corporation

During 1985, the corporation issued weekly adjustable/fixed rate bonds in the amount of $225,950,000 to finance the proposed construction of a refuse to energy facility located in the Quonset Point Industrial Park (the facility). These bonds are guaranteed by an irrevocable letter of credit issued by two banks, which expired on December 15, 1988, and was subsequently renewed to December 15, 1989. The related bond indenture agreement required the money received to be placed in the following restricted funds: construction fund ($159,495,548), capitalized interest account ($39,204,452) and debt service reserve fund ($27,250,000). The funds were established to pay (1) a portion of the costs associated with the acquisition and construction of the proposed facility and certain expenses related to issuance of the bonds, (2) interest on the bonds and the bank note (in the event drawings are made under the aforementioned letter of credit agreement) from the date of delivery through the construction period, and (3) principal, interest and certain other costs, if any, associated with the bonds or the aforementioned bank note in the event that the corporation does not have sufficient funds from other sources.

On March 3, 1986, $65,950,000 of the then outstanding bonds were redeemed because the proceeds of such bonds were not considered necessary to construct the facility presently contemplated.

## 10. PUBLIC AUTHORITIES AND CORPORATIONS (cont'd)

### Rhode Island Solid Waste Management Corporation (cont'd)

The bond indenture agreement, as supplemented, requires the corporation to redeem the bonds in the event that certain conditions relating to the disbursement of moneys from the construction fund are not met prior to the construction fund disbursement date. The construction fund disbursement date is the earlier of April 1, 1989 or the date on which the conditions discussed in the next sentence are met. In summary, the conditions referred to above require that (1) title to the proposed Quonset Point site is transferred to the corporation; (2) agreements to construct and operate the facility are executed; and (3) the interest rate on the bonds shall have been fixed, all the bonds shall have been sold and the letter of credit cancelled (alternatively, an alternate credit facility, such as a substitute letter of credit, may be used).

Until the interest rate is fixed (the conversion date as defined in the bond indenture agreement), bondholders can require the corporation to purchase the bonds at a price equal to the principal amount outstanding plus accrued interest. When and if the corporation establishes a fixed rate for the bonds, it is required to purchase the bonds unless the owner of the bond waives mandatory purchase by written notice to the trustee. Similarly, the corporation is required to purchase the bonds when the letter of credit expires on December 15, 1989.

The corporation has entered into a remarketing agreement which requires the remarketing agent to use its best efforts to sell the bonds in the secondary market in the event the bonds are tendered for purchase by the corporation prior to the conversion date or in the event that the bonds are tendered for purchase by the corporation if a fixed rate is established or the letter of credit expires. The remarketing agents may resign on 30 days notice.

The bonds are subject to mandatory redemption out of amounts on deposit in a sinking fund in the debt service fund, commencing on December 1, 1994 and annually each December 1 thereafter.

The corporation has entered into contracts with vendors for the construction and operation of resource recovery facilities to be located in North Kingstown and Johnston (See Note 16 - Commitments).

## 10. PUBLIC AUTHORITIES AND CORPORATIONS (cont'd)

### Convention Center Authority

Subsequent to June 30, 1988, the authority acquired three parcels of land for a total cost of approximately $23,000,000 (See Note 12).

## 11. CASH DEPOSITS AND INVESTMENTS

### Cash Deposits

At June 30, 1988, the carrying amount of the state's cash deposits was $678,396,873 and the bank balance was $677,055,353. Of the bank balance, $16,074,975 was covered by federal or state depository insurance and $660,980,378 was uninsured and uncollaterized. The carrying amount and the bank balance includes $494,360,741 of certificates of deposit, $35,070,000 of eurodollar certificates of deposit and $66,490,000 of eurodollar time deposits. Certificates of deposit, eurodollar certificates of deposit and eurodollar time deposits are included with investments on the combined balance sheet (Exhibit I).

### Investments

The state's investments are categorized in the following table to give an indication of the level of risk assumed by the entity at June 30, 1988.

- Category 1 includes investments that are insured or registered or for which the securities are held by the state or its agent in the state's name.
- Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's, broker's or dealer's trust department or agent in the state's name.
- Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, broker or dealer; or investments held by the financial institution's, broker's or dealer's trust department or agency but not in the state's name.

11. CASH DEPOSITS AND INVESTMENTS (cont'd)

Investments (cont'd)

| | (In Thousands) | | | | |
|---|---|---|---|---|---|
| | Category | | | Carrying | Market Value at |
| | 1 | 2 | 3 | Amount | June 30, 1988 |
| U.S. Government Securities and U.S. Government Agency Securities | $ 935,873 | $ | $ 19,609 | $ 955,482 | $1,001,376 |
| Commercial Paper | 8,493 | 2,930 | 296,841 | 308,264 | 308,264 |
| Money Market Funds | 1,363 | | 25,480 | 26,843 | 26,843 |
| Repurchase Agreements | 26,829 | 116,725 | 132,202 | 275,756 | 275,756 |
| Corporate Bonds and Notes | 130,237 | | | 130,237 | 115,663 |
| Equity Securities | 499,616 | | | 499,616 | 732,394 |
| Municipal Bonds | 13,000 | | | 13,000 | 13,000 |
| Other | 6,864 | 1,052 | 80 | 7,996 | 8,951 |
| | $1,622,275 | $120,707 | $474,212 | $2,217,194 | $2,482,247 |

R.I. General Law Sec.35-10-12 provides for a four year plan to divest state funds and pension funds invested in corporations doing business in the Republic of South Africa. Since the market value of these investments at June 30, 1988 exceeds their carrying value, it is anticipated that such divestiture will not have any material adverse effect on the state's investment portfolio. In addition, the law states that the investment commission shall not be required to divest of any state funds or pension funds when the market value of the investment is lower than the purchase price.

Restricted revenues of the general fund include income on investments of the highway, bond capital, and water development funds, amounting to $301,164, $968,147, and $87,631, respectively, which, as provided in the general laws, is income of the general fund rather than the recipient funds.

## 12. LONG-TERM OBLIGATIONS

Long-term obligations include bonds, notes and loans payable and obligations under capital leases.

### Bonds Payable

Bonds Payable at June 30, 1988 are summarized as follows:

| | (In Thousands) | |
|---|---|---|
| General obligation bonds: | | $ 336,725 |
| Revenue bonds of the university and colleges: | | |
| University of Rhode Island | 6,703 | |
| Rhode Island College | 2,595 | |
| Community College of Rhode Island | 2,981 | 12,279 |
| Bonds (guaranteed by the state) of enterprise funds: | | |
| Blackstone Valley District Commission | 18,385 | |
| Narragansett Bay Water Quality Management District Commission | 7,990 | 26,375 |
| Bonds of public authorities and corporations: (Net of bond discount and premium) | | |
| R.I. Housing and Mortgage Finance Corporation | 1,268,269 | |
| R.I. Turnpike and Bridge Authority | 48,040 | |
| R.I. Public Buildings Authority | 134,522 | |
| R.I. Solid Waste Management Corporation | 169,419 | |
| R.I. Refunding Bond Authority | 20,105 | 1,640,355 |
| | | $2,015,734 |

General obligation bonds mature as follows:

1989 - $33,530,000; 1990 - $33,655,000; 1991 - $29,940,000;
1992 - $26,195,000; 1993 - $25,000,000 and $188,405,000 thereafter.

During the fiscal year ended June 30, 1988, the State of Rhode Island entered into a loan agreement with the R.I. Refunding Bond Authority whereby the state borrowed $19,992,299 to advance refund certain general obligation bonds dated May 1, 1984, totaling $18,640,000 with interest rates ranging from 8.0% to 9.4%. The amount borrowed was used to purchase U. S. government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the 1984 refunded bonds. The above amounts include $270,000

12. LONG-TERM OBLIGATIONS (cont'd)

Bonds Payable (cont'd)

borrowed on behalf of the Narragansett Bay Water Quality Management District Commission to advance refund $240,000 of outstanding bonds. Accordingly, a $30,000 loss on extinguishment of debt was recorded in the financial statements of the Narragansett Bay Water Quality Management District Commission Fund. As a result, the 1984 refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group ($18,400,000), and the balance sheet of the Narragansett Bay Water Quality Management District Commission ($240,000).

The state advance refunded the 1984 bonds to reduce its total debt service payments over the next 17 years by $1,045,052 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of $614,129.

As of June 30, 1988, the state had $48,800,000 of general obligation bonds outstanding which have been defeased through advance refundings.

Revenue bonds of the university and colleges were issued under trust indentures and are collateralized by a pledge of revenues from the facilities financed. The facilities include housing, student union (including bookstores) and dining operations. Under terms of the trust indentures, certain net revenues from these operations must be transferred to the trustees for payment of interest, retirement of bonds, and maintenance of facilities. The bonds are payable in annual or semi-annual installments to various maturity dates. Installments are due as follows: 1989 - $729,000; 1990 - $722,000; 1991 - $572,000; 1992 - $577,000; 1993 - $620,000; and $9,059,000 thereafter.

During 1987, the University of Rhode Island retired $6,732,000 of certain long-term debt issues under a prepayment opportunity offered to colleges and universities by the United States government. In 1988, the early retirement was refinanced through the issuance of taxable revenue bonds of the Rhode Island Health and Educational Building Corporation (R.I.H.E.B.C.). The bonds are secured by certain university property which is leased back to the university by the R.I.H.E.B.C.

Revenue bonds of the Blackstone Valley District Commission Fund are due as follows: 1989 - $775,000; 1990 - $855,000; 1991 - $915,000; 1992 - $995,000; 1993 - $1,080,000; and $13,765,000 thereafter.

## 12. LONG-TERM OBLIGATIONS (cont'd)

### Bonds Payable (cont'd)

Revenue bonds of the Narragansett Bay Water Quality Management District Commission are due as follows: 1989 - $410,000; 1990 - $410,000; 1991 - $410,000; 1992 - $410,000; 1993 - $410,000; and $5,940,000 thereafter.

The R.I. Housing and Mortgage Finance Corporation bonds outstanding at June 30, 1988 amounted to $1,268,769,120, including serial bonds ($533,208,725) and term bonds ($735,060,395). The serial bonds, with interest rates of 4.50% to 13.00%, mature as follows: 1989 - $53,335,000; 1990 - $55,940,000; 1991 - $57,555,000; 1992 - $59,770,000; 1993 - $57,005,000; and 1994 to 2010 - $249,603,725. The term bonds, with interest rates from 6.25% - 12.875%, are due in 1994 to 2025, subject to varying redemption provisions.

The R.I. Turnpike and Bridge Authority bonds, $48,040,000 at June 30, 1988, consist of the following:

| | |
|---|---|
| Newport Bridge Revenue Bonds, due Feb. 1, 2006: | |
| Series A, with interest at 4.50% | $11,010,000 |
| Series B, with interest at 5% | 6,030,000 |
| Newport Bridge Bonds, guaranteed as to principal and interest by the State with interest rates at 3.80% to 5%, due in varying annual installments from Dec. 1, 2006 to Dec. 1, 2017, subject to varying redemption provisions | 31,000,000 |
| | $48,040,000 |

The revenue bonds require sinking fund payments for the next five fiscal years as follows: 1989 - $800,000; 1990 - $850,000; 1991 - $900,000; 1992 - $950,000; and $1,000,000 in 1993. During the fiscal year ended June 30, 1988, the authority redeemed $915,000 of revenue bonds and realized a gain on redemption of $110,905.

## 12. LONG-TERM OBLIGATIONS (cont'd)

### Bonds Payable (cont'd)

Revenue bonds of the R.I. Public Buildings Authority are secured by lease rentals payable by the state pursuant to lease agreements relating to projects financed by the authority and leased to the state (see Obligations under Capital Leases). The authority has seven series of State Public Projects Revenue bonds outstanding as follows:

| | |
|---|---:|
| $29,025,000 State Public Project Revenue Bonds, 1979 Series A, with interest rates of 5.75% to 6.5%, maturing at various dates through 1999 | $ 16,525,000 |
| $430,000 State Public Project Revenue Bonds, 1982 Series A, with interest at 10.5%, maturing at various dates through 1998 | 130,000 |
| $9,100,000 State Public Project Revenue Bonds, 1983 Series A, with interest rates of 7.0% to 8.25%, maturing at various dates through 1989 | 1,820,000 |
| $11,450,000 State Public Project Revenue Bonds, 1985 Series A, with interest rates of 5.0% to 9.1%, maturing at various dates through 2005 | 4,320,000 |
| $71,670,000 State Public Project Revenue Bonds, 1985 Series B, with interest rates of 6.2% to 9.1%, maturing at various dates through 2007 | 18,235,000 |
| $74,640,000 State Public Projects Revenue Bonds, 1986 Series A, with interest rates of 4.0% to 7.2%, maturing at various dates through 2007 | 74,030,000 |
| $24,330,000 State Public Projects Revenue Bonds, 1987 Series A, with interest rates of 5.5% to 8.2%, maturing at various dates through 2008 | 24,330,000 |
| | $139,390,000 |
| Less unamortized discount and cost of issuance (net) | 4,867,770 |
| | $134,522,230 |

12. LONG-TERM OBLIGATIONS (cont'd)

Bonds Payable (cont'd)

Proceeds from the R.I. Public Buildings Authority bonds have been used to finance construction and renovation of certain buildings and acquisition of equipment used by various state agencies. The following principal payments on revenue bonds are required during the next five years and thereafter: 1989 - $7,130,000; 1990 - $5,845,000; 1991 - $5,910,000; 1992 - $6,070,000; 1993 - $6,255,000; and $108,180,000 thereafter. At June 30, 1988 approximately $66,039,000 was in escrow to be used to repay $59,705,000 of defeased bonds.

The R.I. Public Buildings Authority has obtained title to certain land and buildings previously owned by the state in exchange for project acquisition promissory notes (See Notes Payable). These notes are secured by lease rentals payable by the State of Rhode Island.

The R.I. Solid Waste Management Corporation had outstanding Solid Waste Disposal Revenue Bonds of $169,418,972 at June 30, 1988, consisting of:

$1,565,000, Series A, 11.2%, with maturities from 1988 to 1991.

$2,933,972, Series B, 6.75%, with maturities from 1988 to 1991.

$160,000,000, weekly adjustable/fixed rate, with maturities from 1994 to 2008.

$1,500,000, Central Landfill Garage Project, interest rates from 5.1% to 7.125%, with maturities from 1988 to 1993.

$3,420,000, Materials Recovery Facility Project, 9.25%, with maturities from 1988 to 1992.

The weekly adjustable/fixed rate bonds ($160,000,000) are guaranteed by an irrevocable letter of credit issued by two banks, which expired on December 15, 1988 and was subsequently extended to December 15, 1989. Maturities of long-term debt are as follows: 1989 - $2,438,831; 1990 - $2,556,556; 1991 - $2,683,585; 1992 - $1,060,000; 1993 - $680,000; and $160,000,000 thereafter.

The R.I. Refunding Bond Authority has issued $20,640,000 of revenue bonds. The proceeds of these bonds were used to loan funds to the state to effect the refunding of general obligation bonds issued by the state in 1984.

The R.I. Industrial Facilities Corporation has issued in aggregate $500,690,300 of revenue bonds, equipment acquisition notes, and construction loan notes to finance various capital expenditures for Rhode Island business entities. The bonds and notes issued by the corporation are not general obligations of the corporation and are payable solely from the revenues derived from the related projects. They neither constitute nor give rise to a pecuniary liability for the corporation nor do they represent a charge against its general credit. Under the

12. LONG-TERM OBLIGATIONS (cont'd)

Bonds Payable (cont'd)

terms of the various indentures and related loan and lease agreements, the business entities make loan and lease payments directly to the trustees of the related bond and note issues in amounts equal to interest and principal payments due on the respective issues. The payments are not shown as receipts and disbursements of the corporation.

At June 30, 1988, the following bonds were authorized but unissued: general obligation bonds to finance capital projects $309,360,600, including $255,719,600 for the bond capital fund and $53,641,000 for the Narragansett Bay Water Quality Management District Commission; bonds for enterprise funds $112,814,000, including $80,000,000 for the R.I. Industrial-Recreational Building Authority, $8,255,000 for the Blackstone Valley District Commission and $5,559,000 for the Narragansett Bay Water Quality Management District Commission. The amount of authorized bonds that may be issued by the R.I. Industrial-Recreational Building Authority is limited by mortgage balances that it has insured, $22,820,784 at June 30, 1988.

See note 17 for information concerning contingent liabilities relating to "Moral Obligation" bonds.

## SUBSEQUENT EVENTS

On July 1, 1988, the R.I. Housing and Mortgage Corporation called $50,000,000 of bonds from various bond issues.

Subsequent to June 30, 1988, the following bonds and bond anticipation notes were issued:

General Obligations:
  State of Rhode Island
    $59,590,000 General Obligation Bond Anticipation Notes,
    interest rate of 6.55%, maturing June 1, 1989.

Public Authorities and Corporations:
  R.I. Public Buildings Authority
    $23,655,000 State Public Projects Revenue Bonds, 1988
      Series A, consisting of a combination of serial bonds
      ($11,830,000), 6.0% - 7.45% with maturities from 1990
      to 2003, and term bonds ($11,825,000) 7.60% maturing
      February 1, 2009.

12. LONG-TERM OBLIGATIONS (cont'd)

Bonds Payable (cont'd)

SUBSEQUENT EVENTS cont'd)

- R.I. Housing and Mortgage Finance Corporation
  - $350,000,000 Homeownership Opportunity Bonds consisting of:
    - $75,000,000, Series 1-A, Serial bonds ($7,535,000), 6.3% - 7.4% with maturities from 1991 to 2001 and term bonds ($67,465,000), 7.85% - 8.25% with various maturities through 2023.
    - $75,000,000, Series 1-B, 6.2% with various maturities through 2023.
    - $75,000,000, Series 1-C, 6.45% with various maturities through 2023.
    - $75,000,000, Series 1-D, 6.45% with various maturities through 2023.
    - $50,000,000, Series 1-E, 6.45% with various maturities through 2023.
  - $3,380,000 Housing Bonds, 1988 Series A, interest rate of 10.875%, maturing April 1, 2020

- R.I. Water Resources Board Corporate
  - $4,700,000 Water Supply Improvements-Fruit Hill Extra High Service System Extension Project, Bond Anticipation Notes, interest rate of 5.75%, maturing July 14, 1989.

On September 29, 1988, the Convention Center Authority entered into an agreement with Fleet National Bank whereby Fleet agreed to purchase from the authority $42,000,000 of bond anticipation notes. The notes may be drawn upon through January 2, 1990 (maturity of notes and anticipated bond issuance date). Interest at prime is payable semiannually commencing January 2, 1989. The notes are secured by all rents receivable under a lease and agreement between the authority, the State of Rhode Island and the City of Providence covering all property to be purchased by the authority for the site, and a mortgage on such property. The lease and agreement, dated September 29, 1988 and expiring January 2, 1990, requires rental payments by the City of Providence and the State of Rhode Island equal to the net debt service payments on the bond anticipation notes and all administrative expenses of the authority not previously financed by the issuance of notes or bonds. As of January 20, 1989 the authority had borrowed $24,144,267 under its agreement with Fleet National Bank.

## 17. LONG-TERM OBLIGATIONS (cont'd)

### Notes Payable

Notes payable of enterprise funds and public authorities and corporations at June 30, 1988 were as follows:

| | | |
|---|---|---|
| Enterprise Funds: | | |
| R.I. Higher Education Assistance Authority: | | |
| Note payable to the Student Loan Marketing Association payable with interest at 1.25% to 1.5% above the Federal Treasury Bill rate, payable quarterly: | | |
| due June 30, 1990 | $ 176,724 | |
| due June 30, 1991 | 325,141 | |
| due June 30, 1992 | 372,660 | |
| Note payable to the R.I. Student Loan Authority, without interest and no fixed repayment date | 31,854 | |
| Narragansett Bay Water Quality Management District Commission: | | |
| Mortgage payable to bank at 10% interest until 2001 | 940,592 | $ 1,846,971 |
| Public Authorities and Corporations: | | |
| R.I. Solid Waste Management Corporation: | | |
| Non-interest bearing note payable to the State, due 1989 - 1991 | $ 600,000 | |
| R.I. Public Buildings Authority: | | |
| Notes secured by lease agreements between the Authority and the State of R.I.: | | |
| 11% Project Acquisition Promissory Note maturing on August 1, 2007 | 180,802 | |
| 11% Project Acquisition Promissory Note maturing on August 1, 2005 | 4,000,000 | |
| 10% Project Acquisition Promissory Notes maturing on August 1, 2007 | 4,412,076 | |
| 11% Project Acquisition Promissory Notes maturing on February 1, 2008 | 2,110,000 | |
| R.I. Student Loan Authority: | | |
| Variable interest bearing notes payable to the Student Loan Marketing Association, secured by student loans insured by the R.I. Higher Education Assistance Authority and certain investments, with final payment due on May 8, 1999 | 111,448,842 | |
| 8% Note Payable to a bank, under an agreement ending December 31, 1988 | 3,125,499 | |
| R.I. Water Resources Board Corporate: | | |
| Note payable to the Water Development Fund, 4% interest, due December 31, 1988 | 300,000 | 126,177,219 |
| | | $128,024,190 |

## 12. LONG-TERM OBLIGATIONS (cont'd)

### Loans Payable

Loans payable of $28,360,512 consist of loans of the state payable to the R.I. Refunding Bond Authority ($19,840,000) and loans payable of the enterprise funds ($8,520,512).

The loan payable of the state is reflected in the state's general long-term debt account group. The proceeds of this loan were used to effect the advance refunding of certain 1984 general obligation bonds of the state. The obligation of the state to make payments to the R.I. Refunding Bond Authority is subject to and dependent upon appropriations being made by the General Assembly for such purpose.

Loans payable of the enterprise funds represent liabilities of the Narragansett Bay Water Quality Management District Commission to the City of Providence ($8,255,512 at June 30, 1988) and to the R.I. Refunding Bond Authority ($265,000). The amounts due to the city are liabilities assumed by the commission upon the acquisition of the city's sewerage treatment facilities. The proceeds of the loan from the R.I. Refunding Bond Authority were used to effect the advance refunding of the commission's share of the state's 1984 general obligation bonds.

During fiscal year ended June 30, 1987, the City of Providence undertook to refund two bond issues for which the Narragansett Bay Water Quality Management District Commission had partial responsibility under the assumption agreement dated May 1, 1982. The commission concurred and participated in the refunding for its share of the outstanding long-term debt. As of June 30, 1988, the commission's share of the defeased bonds which remain outstanding was $6,965,400.

### Obligations Under Capital Leases

The state has entered into capital lease agreements with the R.I. Public Buildings Authority for construction, acquisition, or renovation of certain public buildings, and acquisition of computer equipment and related software. Under the agreements, the state will pay rent consisting of the following amounts:

1. Semiannual debt service payments required to retire revenue bonds and pay the interest thereon.

2. Note interest expense payable by the authority.

3. Annual administrative expenses of the authority.

4. Any sums necessary to cover construction costs which exceed the proceeds from the sale of initial bonds.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Notes to Combined Financial Statements

June 30, 1988

## 12. LONG-TERM OBLIGATIONS (cont'd)

### Obligations Under Capital Leases (cont'd)

At the end of the lease period, the state may purchase the property for a nominal amount. Purchase may be made at any time prior at an amount sufficient to pay all outstanding bonds and notes and all other obligations incurred in connection with the project plus the sum of $1.00.

The state's obligation to the R.I. Public Buildings Authority consists of the balance of the authority's revenue bonds outstanding less monies held in debt service reserve funds by the authority. The amount (principal only), which is repayable directly through general fund appropriations, is reflected in the general long-term debt account group at June 30, 1988.

The state has also issued four series of lease participation certificates under the "Master Lease Program" for the purpose of acquiring capital equipment. The lease participation certificates generally mature in annual installments over five years from the date of issuance. Obligations under lease participation certificates are reflected in the table below.

The portion of the obligations under lease participation certificates (principal only) that is payable from general fund appropriations is reflected in the general long-term debt account group at June 30, 1988.

The following is a summary of future minimum rental payments required under capital leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 1988 and interest and principal requirements on lease participation certificates:

| | (In thousands) | | |
|---|---|---|---|
| Fiscal Year Ending June 30 | R.I. Public Buildings Authority | Master Lease | Total |
| 1989 | $ 16,681 | $ 6,309 | $ 22,990 |
| 1990 | 14,605 | 5,258 | 19,863 |
| 1991 | 14,297 | 3,228 | 17,525 |
| 1992 | 14,065 | 2,174 | 16,239 |
| 1993 | 13,832 | 1,582 | 15,414 |
| Later Years | 165,947 | | 165,947 |
| Total Minimum Payments Required | $239,427 | $18,551 | $257,978 |

12. LONG-TERM OBLIGATIONS (cont'd)

Obligations Under Capital Leases (cont'd)

In November 1988, the state issued another series of lease participation certificates in the amount of $3,490,000.

Obligations of the state to make payments under lease agreements is subject to and dependent upon appropriations being made by the General Assembly.

## 13. DEFERRED COMPENSATION

The state offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan is administered by the Department of Administration pursuant to General Law 36-13-7. The Department of Administration contracts with private corporations to provide investment products related to the management of the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the state (without being restricted to the provisions of benefits under the plan) subject only to the State's general creditors. Participant's rights under the plan are equal to those of general creditors of the state in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Department of Administration's legal counsel that the state has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The state believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Deferred compensation plan balances, valued at market, have been reported in an agency fund at June 30, 1988.

## 14. OPERATING LEASE COMMITMENTS

The state is committed under numerous operating leases covering real property and equipment. Operating lease expenditures totaled $6,490,671 for the fiscal year ended June 30, 1988.

## 14. OPERATING LEASE COMMITMENTS (cont'd)

Most of the operating leases contain an option allowing the state, at the end of the initial lease term, to renew its lease at the then fair rental value. In most cases, it is expected that these leases will be renewed or replaced by other leases.

The following is a summary of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 1988:

| Fiscal Year Ending June 30 | In Thousands |
|---|---|
| 1989 | $ 6,222 |
| 1990 | 4,236 |
| 1991 | 2,433 |
| 1992 | 1,606 |
| 1993 | 1,205 |
| Later Years | 439 |
| Total Minimum Payments Required | $ 16,141 |

The total minimum payments shown above have not been reduced by any sublease receipts, which are immaterial.

## 15. PENSION PLANS

### Employees' Retirement System

A. Plan Description

The state contributes to the Employees' Retirement System of the State of Rhode Island (the "system"), a multiple-employer public employee retirement system that acts as a common investment and administrative agent for pension benefits to be provided to state employees who meet eligibility requirements as well as teachers and certain other employees employed by local school districts in Rhode Island. The financial statements of the system are included within the trust and agency fund type in the accompanying combined financial statements.

## 15. PENSION PLANS (cont'd)

### Employees' Retirement System cont'd)

### A. Plan Description (cont'd)

The state's payroll for its employees that were covered by the system for the year ended June 30, 1988 was $328,202,769 and the total current year payroll for all state employees was $479,862,229. The payroll for teachers and other local school employees covered by the system for the year ended June 30, 1988 was $410,493,719.

The system covers most state employees. Legislators and elected officials may become members on an optional basis.

The system provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years; 3.0% per year for each of the next fourteen years; and 2% for the 35th year. The maximum benefit is 80% of final average earnings after 35 years of service. Such benefits are available to members at least age 60 with 10 years of service, or after 30 years at any age. A different benefit formula applies to state correctional officers who may retire at age 50 if they have 20 years of service. Benefits are based on the average of the highest three consecutive years' earnings. After the third anniversary of retirement, "cost-of-living increases" amounting to 3% per year are provided, independent of actual changes in the consumer price index. The cost-of-living increases are computed at the rate of 3% compounded annually. The system also provides non-service-connected disability benefits after five years of service; service-connected disability pensions with no minimum service requirement; vested benefits after ten years of service; widow's benefits for service-connected death; and certain lump sum death benefits.

Sections 16-16-22 and 36-10-1 of the Rhode Island General Laws require that members contribute a fixed percentage of their earnings to the system. For the year ended June 30, 1988 this percentage was 7½% for state employees, 8½% for teachers and other covered school employees and 30% for legislators. The contributions required by the state and various local school districts that participate in the system are set forth in Sections 16-16-22 and 36-10-2 of the Rhode Island General Laws. For the year ended June 30, 1988 the state contributed 12.5% of covered payroll for state employees and 9.3% for teachers and other covered school employees. Local school districts contributed 9.3% of covered payroll for their covered employees.

15. PENSION PLANS (cont'd)

Employees' Retirement System (cont'd)

B. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to the system.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1988. Significant actuarial assumptions used in that valuation included (a) an annual rate of return on system investments of 7½% (b) projected annual salary increases of 4.17% to 5.85% depending on participant age (including an allowance of 4% per year for inflation) (c) mortality rates based on the 1971 group annuity mortality table (d) post retirement increases in benefits of 3% compounded annually and (e) a retirement age of 63 for state employees and 61½ for teachers or completion of service requirement, if later.

The total unfunded pension benefit obligation at June 30. 1988 is summarized below:

| | In Thousands | | |
|---|---|---|---|
| | State Employees | Teachers | Total |
| Pension benefit obligation: | | | |
| Retirees and beneficiaries receiving benefits and terminated employees not yet receiving benefits | $ 546,114 | $ 516,572 | $1,062,686 |
| Current employees | | | |
| Accumulated employee contributions | 143,124 | 217,910 | 361,034 |
| Employer-financed vested | 212,476 | 336,222 | 548,698 |
| Employer-financed nonvested | 204,075 | 392,673 | 596,748 |
| Total pension benefit obligation | $1,105,789 | $1,463,377 | $2,569,166 |
| Net assets available for benefits, at carrying value (market value is $1,610,860) | 644,575 | 747,702 | 1,392,277 |
| Unfunded pension benefit obligation | $ 461,214 | $ 715,675 | $1,176,889 |

## 15. PENSION PLANS (cont'd)

### Employees' Retirement System (cont'd)

### C. Actuarially Determined Contribution Requirements and Contributions Made

The system's funding policy, as set forth in Section 36-10-2 of the General Laws, provides for actuarially determined periodic contributions. Employer contributions to the system include (1) normal cost (2) a payment required to amortize the unfunded frozen actuarial liability over 30 years and (3) interest on the unfunded frozen actuarial liability. The normal cost is determined using the entry age normal cost method with frozen initial liability. The system uses the sum-of-the-digits amortization method to calculate the payment required to amortize the unfunded frozen actuarial liability over 30 years.

The significant actuarial assumptions used to compute the actuarially determined contributions requirement are the same as those used to compute the pension benefit obligation as described in B. above.

The state and local school districts' contributions to the system for the year ended June 30, 1988 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1986. The state contribution for its employees, $41,007,762, consisted of (a) $7,561,832 for normal cost (2.30% of current covered payroll) (b) $1,898,659 for amortization of the unfunded frozen actuarial liability (.58% percent of current covered payroll) and (c) $31,547,271 of interest on the unfunded frozen actuarial liability (9.61% of current covered payroll). The state and municipal contributions for teachers and other covered school employees, $58,958,711, consisted of (a) $6,909,961 for normal cost (1.68% of covered payroll) (b) $2,995,103 for amortization of the unfunded frozen actuarial liability (.73% of covered payroll) and (c) $49,053,647 of interest on the unfunded frozen actuarial liability (11.95% of current covered payroll). Such contributions are split equally between the state and the employing local school district.

### D. Trend information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. For the three years ended June 30, 1986, 1987 and 1988, state contributions to the system, all made in accordance with actuarially determined requirements, were 14.5%, 12.5%, and 12.5% respectively of annual covered payroll for state employees and 9.9%, 9.45%, and 9.3%, respectively of annual covered payroll for teachers.

15. PENSION PLANS (cont'd)

D. Trend Information (cont'd)

Trend information concerning the pension benefit obligation for 1987 and 1988 is presented below (dollar amounts in thousands):

| Fiscal Year | (1) Net Assets Available for Benefits | (2) Pension Benefit Obligation | (3) Percentage Funded (1)/(2) | (4) Unfunded Pension Benefit Obligation (2)-(1) | (5) Annual Covered Payroll | (6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5) |
|---|---|---|---|---|---|---|
| 1987 | $1,196,304 | $2,327,225 | 51.4% | $1,130,921 | $624,927 | 181.0% |
| 1988 | 1,392,277 | 2,569,166 | 54.2% | 1,176,889 | 738,696 | 159.3% |

The pension benefit obligation was not computed for years prior to 1987.

Municipal Employees' Retirement System

A. Plan Description

The state, through the Retirement Board, also administers the Municipal Employees' Retirement System (the "municipal system"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for pension benefits to be provided to employees of municipalities, housing authorities, and water and sewer districts that have elected to participate. The financial statements of this system are included within the trust and agency fund type in the accompanying combined financial statements.

The municipal system generally provides retirement benefits equal to 2% of final average salary per year of service. Such benefits are available to members at least age 58 with 10 years of service or after 30 years at any age. Police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. Benefits are based on the average of the highest three consecutive years' earnings.

## 15. PENSION PLANS (cont'd)

### Municipal Employees' Retirement System (cont'd)

### A. Plan Description (cont'd)

The municipal system also provides non-service-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement; vested benefits after 10 years of service; widow's benefits; and certain lump sum death benefits.

Section 45-21-41 of the Rhode Island General Laws requires that members contribute a fixed percentage of their earnings to the municipal system. For the year ended June 30, 1988 this percentage was 6% for general employees and 7% for police and fire personnel. For groups that elect the optional cost-of-living provision, the employee contribution rate is increased by 1%. Section 45-21-42 of the General Laws contains the contribution requirements for participating employers. These rates are actuarially determined and vary by participating employer. The state does not make contributions to the municipal system.

### B. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits and is more fully discussed above under funding status and progress for the Employees' Retirement System. The pension benefit obligation was computed as part of the actuarial valuation performed as of June 30, 1987, and was the most recent available at the date of this report. Significant actuarial assumptions used in that valuation included (a) an annual rate of return on the investment of assets of 7½% (b) projected annual salary increases of 4.17% to 5.85% depending on participant age (including an allowance of 4% per year for inflation) (c) mortality rates based on the 1971 group annuity mortality table and (d) a retirement age of 65 for general employees and 60 for police and fire personnel, or completion of service requirement, if later.

15. PENSION PLANS (cont'd)

Municipal Employees' Retirement System (cont'd)

B. Funding Status and Progress (cont'd)

The total unfunded pension benefit obligation at June 30, 1987, is summarized below:

| | (In Thousands) | | |
|---|---|---|---|
| | General Employees | Police and Fire | Total |
| Pension benefit obligation: | | | |
| Retirees and beneficiaries | | | |
| Receiving benefits and terminated employees not yet receiving benefits | $ 68,641 | $ 7,332 | $ 75,973 |
| Current employees | | | |
| Accumulated employee contributions | 24,129 | 3,395 | 27,524 |
| Employer-financed vested | 31,171 | 3,564 | 34,735 |
| Employer-financed nonvested | 29,114 | 5,326 | 34,440 |
| Total pension benefit obligation | $ 153,055 | $ 19,617 | $172,672 |
| Net assets available for benefits at carrying value (market value is $230,370) | 149,608 | 20,401 | 170,009 |
| Unfunded pension benefit obligation | $ 3,447 | $ (784) | $ 2,663 |

C. Actuarially Determined Contribution Requirements and Contributions Made

The municipal system's funding policy, as set forth in Section 45-21-42 of the General Laws, provides for actuarially determined periodic contributions. Employer contributions to the municipal system include (a) normal cost and (2) a payment, where applicable, to amortize the unfunded actuarial liability over a period of 25 years from the date the municipality joined the system. The normal cost is determined using the entry age normal cost method.

The significant actuarial assumptions used to compute the actuarially determined contributions are the same as those used to compute the pension benefit obligation as described in B. above.

15. PENSION PLANS (cont'd)

Municipal Employees' Retirement System (cont'd)

C. Actuarially Determined Contribution Requirements and Contributions Made (cont'd)

The total contributions to the municipal system for fiscal 1988 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1986. The portions of employer contributions that represent normal cost and amortization of the unfunded actuarial liability are determined by the actuary and vary for each employer.

D. Trend Information

Trend information concerning the pension benefit obligation is not presented because that amount was first determined during the June 30, 1987 actuarial valuation.

Other

Certain employees of the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island (principally faculty and administrative personnel) are covered by individual annuity contracts with the Teachers' Insurance and Annuity Association. Total expenditures by the institutions for such annuity contracts amounted to $5,773,803 during the year ended June 30, 1988.

The R.I. Public Transit Authority has two pension plans that cover employees meeting certain eligibility requirements. At June 30, 1988 the total pension benefit obligation under these plans was $7,748,414 and the net assets available for benefits were $3,487,752. For the year ended June 30, 1988 the aggregate contributions to the plans exceeded those which were recommended by the actuary.

The R.I. Port Authority and Economic Development Corporation has a pension plan that covers employees who meet certain eligibility requirements. At July 1, 1987, the most recent valuation date, the total pension benefit obligation was $1,421,374 and the net assets available for benefits were $3,214,744. No contributions were made to the plan during the year ended June 30, 1988.

Certain other component units have defined contribution pension and savings plans.

For additional information regarding these other pension and savings plans, please refer to the component units' separately issued financial reports.

## 16. COMMITMENTS

Commitments arising from encumbrances outstanding at June 30, 1988 approximated $313,000,000 and are summarized as follows:

| | |
|---|---|
| General fund ($17,000,000 to be funded by federal funds, $3,800,000 to be funded substantially by appropriations carried forward and $800,000 from other sources) | $ 21,600,000 |
| University and colleges (to be funded principally from current fund balance) | 6,700,000 |
| Special revenue funds | 214,900,000 |
| Capital projects funds | 69,800,000 |
| | $313,000,000 |

The Narragansett Bay Water Quality Management District Commission has entered into various engineering and construction contracts for the design and improvement of its facilities as part of a capital improvement program. Commitments under these contracts aggregated approximately $17,000,000 at June 30, 1988.

The R.I. Solid Waste Management Corporation estimated that a minimum of $18,200,000 will be required for final landfill post-closure costs assuming that final closure takes place no later than June, 2009. Accordingly, approximately $700,000 is being charged annually to operations to provide for the above amount on the aforementioned date. It is the corporation's intention to fund sums necessary to reach the stated amount no later than the aforementioned date.

The R.I. Solid Waste Management Corporation entered into an agreement with a remarketing agent in connection with its Weekly Adjustable/Fixed Rate Solid Waste Disposal Revenue Bonds. The agreement is to be in effect until the bonds are converted to a fixed rate of interest and provides for an annual fee based on the principal amount of bonds outstanding. For the year ended June 30, 1988, approximately $200,000 was expended for this purpose.

On January 21, 1987, the R.I. Solid Waste Management Corporation entered into a contract with a vendor for the construction and operation of a resource recovery facility in North Kingstown. The contract construction cost is $71,985,000 and is subject to various escalations approximating 6% per annum should construction commence after June 30, 1987. Construction had not started as of February 3, 1989. Construction is dependent upon, among other things, the successful defense against litigation by the host community seeking to prevent construction of the facility (See Note 17 - Contingencies), obtaining necessary permits and successful negotiations for the acquisition of land necessary to site the facility. The facility is expected to be operational approximately 34 months after construction commences. The facility is to be funded with the corporation's escrowed funds received from the prior sale of Weekly Adjustable/Fixed Rate Solid Waste Disposal Revenue Bonds.

16. COMMITMENTS (cont'd)

On January 20, 1988 the R.I. Solid Waste Management Corporation entered into a contract with a vendor for the design, construction, operation and maintenance of a second resource recovery facility to be located in the Town of Johnston. The contract construction cost is $79,966,000. Construction is dependent upon, among other things, the issuance of bonds to finance the facility, obtaining necessary permits, and the signing of mutually agreeable energy purchase contracts. The operation and maintenance contract is to cost $4,534,000 per year for a twenty-year period and is subject to various escalations.

The R.I. Solid Waste Management Corporation is committed, under various contracts and agreements, for a materials recovery facility, a methane gas collection-flare system and municipal improvements to the Town of Johnston.

In addition, the R.I. Solid Waste Management Corporation is required to grant funds to municipalities to assist them in organizing source separation and recycling programs in their communities.

The R.I. Solid Waste Management Corporation has entered into an agreement with the City of Cranston to furnish sewer and water services to the corporation's Johnston facilities in exchange for payments by the corporation, representing its share of construction costs, impact fees and standard user fees.

The R.I. Housing and Mortgage Finance Corporation had loan commitments of $89,220,489 under various loan programs at June 30, 1988.

The R.I. Student Loan Authority had loan purchase commitments of approximately $35,000,000 at June 30, 1988.

17. CONTINGENCIES

The state is involved in various civil lawsuits which could result in monetary loss to the state. The suits are in various developmental stages, some to the point that a favorable decision, with no or minimal loss is anticipated, others, where the outcome and amount of loss, if any, cannot be determined and others which are still in the discovery stages.

General Fund

The State Supreme Court ruled in June, 1984 that pension income of retired police and firefighters is exempt from the personal income tax. An action was brought in Superior Court by the Tax Administrator to determine whether the State Supreme Court's June, 1984 ruling was applicable to all pension income received by state employees, municipal employees, employees whose pensions are held in trust, and their beneficiaries. The court dismissed the action in view of the enactment

17. CONTINGENCIES (cont'd)

General Fund (cont'd)

of Chapter 496 of the Public Laws of 1985 which provides, retroactively, for the taxation of such pension income in conformity with current statutes. Challenges concerning the retroactive application of the personal income tax have been initiated and appeals from administrative hearings are pending before the R.I. Supreme Court. No provision for any liability that may result has been made in the financial statements.

Appeals from administrative hearings are also pending in District Court relating to claims for refund of motor fuel decal fees. Previously, a class action complaint seeking damages on constitutional and civil rights grounds was dismissed by the Superior Court. The Supreme Court affirmed the Superior Court's dismissal. No provision for any liability that may result has been made in the financial statements.

Landfill & Resource Recovery, Inc., a sanitary landfill operator, has filed suit against the Department of Environmental Management, et. al. The plaintiff, whose landfill was subject to a closure order as a consequence of proceedings brought by the Department of Environmental Management, is seeking compensation for the "taking", on the grounds that the closure order constituted an inverse condemnation by the state. The matter is scheduled to go to trial on April 3, 1989. The case is being defended by the Department of Environmental Management and the Attorney General's office. Damages have not yet been fixed, although in answers to interrogatories the plaintiff has claimed estimates of damages ranging up to $10,000,000.

Enterprise Funds

The United States Department of Education (DOE) has notified the R.I. Higher Education Assistance Authority that it must repay $2,785,156 to the DOE which they have deemed to be excess cash reserves in accordance with subtitle C of Title III of the Omnibus Budget Reconciliation Act of 1987. This amount reflects adjustments made by the DOE based upon corrected data submitted by the Authority subsequent to June 30, 1988. The DOE intends to offset the amount sought against pending and future reinsurance claims. The Authority intends to continue legal action to challenge the determination of the DOE. No provision has been included in the financial statements as of June 30, 1988 for the ultimate outcome of this matter.

## 17. CONTINGENCIES (cont'd)

### Public Authorities and Corporations

In March, 1986, a complaint was filed in Providence County Superior Court against the R.I. Housing and Mortgage Finance Corporation and its former executive director, among others, concerning a development known as "Shannock Village" financed by a mortgage loan made and alleged to be intended for sale to the corporation. The plaintiffs have claimed compensatory damages of $100,000, punitive damages of $100,000,000, interest, costs and reasonable attorneys' fees. Counsel has advised that, based on the facts known to date, the likelihood that the ultimate disposition of the complaint would have a material adverse effect on the corporation's financial condition is remote. The corporation is also involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the corporation's financial condition.

The United States Department of Justice, Civil Division (the "Civil Division"), representing the United States Small Business Administration (the "SBA"), began an investigation in February 1984 concerning possible civil claims against the R. I. Industrial Facilities Corporation. The Civil Division informed the corporation that the investigation was intended to ascertain whether there were any civil claims which the SBA might have against any person, arising out of the delivery by the SBA of its guaranty of obligations of Inge Company, Inc. to the corporation, which obligations are held in trust for the benefit of holders of $5,000,000 face amount of Rhode Island Industrial Facilities Corporation Pollution Control Revenue Bonds for Small Business (base loan payments fully guaranteed by the United States Small Business Administration) (Inge Company, Inc. Project 1980 Series A). In June 1985, the Civil Division informed the corporation that it intends to bring suit against the corporation asserting violations of the provisions of the False Claims Act and common law claims of negligent misrepresentation and breach of fiduciary duty. Total damages sought, including double damages and penalties under the False Claims Act, could approximate $8,000,000. In May, 1986, the corporation, the Civil Division and two other parties entered into a non-binding alternative dispute resolution agreement under which the parties have presented their respective positions relating to this dispute to a panel of two persons, who agreed to provide a written decision setting forth their conclusions concerning the Civil Division's prospects of recovery in a litigation of its claims against the corporation and the other parties. The alternative dispute resolution procedure was completed in July, 1987 when the panel issued its decision which concluded that the Civil Division would not be able to recover any of its claims against the corporation. It is the corporation's legal counsel's understanding that the Justice Department has abandoned its effort to pursue claims against the corporation, although the Justice Department has declined to confirm this fact in writing.

17. CONTINGENCIES (cont'd)

Public Authorities and Corporations (cont'd)

The R.I. Solid Waste Management Corporation has deferred amounts expended for consulting services associated with the development of proposed recovery facilities ($5,756,826 at June 30, 1988) as they may be recoverable in future revenue. Realization of these costs is dependent upon the successful development of the proposed facilities, the outcome of which cannot be determined at this time.

An action, commenced by the Town of North Kingstown, seeking to block the issuance of bonds of the R.I. Solid Waste Management Corporation and to prevent the construction of a solid waste management facility in that community, is pending in the Rhode Island Superior Court.

The Environmental Protection Agency has issued administrative orders and entered into a consent decree with the R.I. Solid Waste Management Corporation, which will require substantial environmental studies of the central landfill which the corporation operates in Johnston, Rhode Island. It is difficult to estimate the total expenditure that may be required, both during any study phases and to effect any remedies for whatever environmental hazards may be disclosed through these studies. Additionally, in May 1986, the corporation was named to the Environmental Protection Agency's Superfund National Priorities List, which in itself carries additional exposure for remedial costs and activities. The corporation has budgeted for the expenses its consultants anticipate.

On March 23, 1988, the R.I. Department of Environmental Management issued an order to the R.I. Solid Waste Management Corporation which was subsequently modified on May 26 and September 15, 1988 respectively. The order requires various environmental measures related to operation of the corporation's landfill. The cost to the corporation in carrying out the aforementioned order cannot be estimated at this time.

On June 7, 1988, the General Assembly passed a law which required the R.I. Solid Waste Management Corporation to set aside $3,000,000 to acquire a buffer area adjacent to the corporation's landfill. Residential property owners must exercise their options to sell no later than December 31, 1989. The purchase is to be financed from tipping fees or from other sources as may be available. The total cost of such an acquisition is undeterminable at this time.

17. CONTINGENCIES (cont'd)

Public Authorities and Corporations (cont'd)

On October 3, 1988, the R.I. Department of Environmental Management issued an administrative order to the R.I. Solid Waste Management Corporation concerning the proposed resource recovery facility at North Kingstown, Rhode Island. The order contains 98 conditions, and the corporation is seeking to modify the conditions attached to the order. The Town of North Kingstown has appealed the entire order by initiating suit in Rhode Island Superior Court. In this litigation, the corporation is a co-defendant together with the Department of Environmental Management and others.

The R.I. Solid Waste Management Corporation is contingently liable to two banks with respect to their irrevocable letters of credit issued to guarantee the corporation's 1984 $160,000,000 Weekly Adjustable/Fixed Rate Solid Waste Disposal Revenue Bonds (see Note 12).

The R.I. Telecommunications Authority will require increased funding from the State of Rhode Island for renovations, technical equipment, and rental expense due to relocation of its operations. This relocation is necessitated by the Convention Center Authority's acquisition of the land and building presently leased by the Telecommunications Authority. The ability of the authority to obtain this funding cannot presently be determined; however, the Governor has indicated his willingness to support the authority's request for increased funding.

## MORAL OBLIGATION BONDS

Some state authorities are empowered by law to issue bonds, which although not guaranteed by the state, are "moral obligations" of the state. At June 30, 1988, the R.I. Housing and Mortgage Finance Corporation had $373,036,414 in "moral obligation" bonds outstanding at rates of 4.5% to 12.875%, payable annually to 2017.

## FEDERAL GRANTS

The state receives significant amounts of federal assistance under grant agreements which specify the purpose of the grant and conditions under which the funds may be used. Generally, these grants are subject to audit. Any disallowances as a result of these audits become a liability of the state. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

## 18. CHANGE IN ACCOUNTING POLICY

Prior to fiscal year 1988, the general long-term debt account group reflected only general obligation bonds and bond anticipation notes payable. Effective in 1988, lease obligations to the R.I. Public Buildings Authority, lease participation certificates payable, and the loan payable to the R.I. Refunding Bond Authority are included in the general long-term debt account group.

# COMBINING AND INDIVIDUAL FUND

# AND

# ACCOUNT GROUP STATEMENTS

# AND

# SCHEDULES

## FINANCIAL SECTION

Exhibit/
Schedule

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Statement of Revenues - Estimated and Actual............................... A-3

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Comparative Statement of Taxes Receivable and Accounts Receivable.......... A-8

Statement of Expenditures by Source of Funds............................... A-9

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-1

## GENERAL FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | 1988 | 1987 |
|---|---|---|
| Cash | $ 22,905,732 | $ |
| Imprest Cash | 290,245 | 288,075 |
| Investments, At Cost | 147,144,222 | 174,963,219 |
| Receivables (Net of allowance for uncollectible and unavailable): | | |
| Taxes (Net of allowance of $5,182,661, 1988; $4,389,705, 1987) | 58,469,747 | 54,515,374 |
| Accounts (Net of allowance of $1,044,894, 1988; $1,244,998, 1987) | 14,428,336 | 13,441,313 |
| Due from Other Funds | 2,288,241 | |
| Due from Federal Government and Others | 42,435,731 | 33,727,008 |
| Advances to Internal Service Funds | 4,732,500 | 4,182,500 |
| Advances to Other Funds | 8,710,000 | 3,814,985 |
| Total Assets | $ 301,404,754 | $ 284,932,474 |

| LIABILITIES AND FUND EQUITY | 1988 | 1987 |
|---|---|---|
| Liabilities: | | |
| Cash Overdraft | $ | $ 748,307 |
| Vouchers and Accounts Payable | 83,157,951 | 77,318,778 |
| Accrued Payroll and Employee Benefits | 11,721,191 | 9,097,716 |
| Due to Other Governments | 8,502,752 | 10,736,306 |
| Obligations Under Reverse Repurchase Agreements | | 8,904,300 |
| Other Liabilities | 4,642,691 | 3,536,838 |
| Total Liabilities | $ 108,024,585 | $ 110,342,245 |
| Fund Equity: | | |
| Appropriations Carried Forward: | | |
| General and Special Appropriations | $ 10,160,834 | $ 7,672,605 |
| Departmental Restricted Revenue | 14,633,606 | 9,858,689 |
| Federal Grants | 12,199,047 | 16,435,757 |
| Total Appropriations Carried Forward | $ 36,993,487 | $ 33,967,051 |
| Reserves: | | |
| Federal Reduction Relief Account | $ 2,002,697 | $ 7,892,787 |
| State Budget Reserve and Cash Stabilization Account | 27,981,101 | 18,333,461 |
| Public Facilities Asset Protection Account | 6,713,786 | 4,165,911 |
| Internal Service Funds | 4,732,500 | 4,182,500 |
| Departmental Imprest Cash | 290,245 | 288,075 |
| Total Reserves | $ 41,720,329 | $ 34,862,734 |
| Available Fund Balance (Exhibit A-2) | $ 114,666,353 | $ 105,760,444 |
| Total Fund Equity | $ 193,380,169 | $ 174,590,229 |
| Total Liabilities and Fund Equity | $ 301,404,754 | $ 284,932,474 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-2

## GENERAL FUND
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN AVAILABLE FUND BALANCE

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Taxes | $ 1,103,199,121 | $ 1,032,874,493 |
| Licenses and Fees | 15,979,205 | 14,295,992 |
| Fines and Penalties | 12,293,697 | 11,916,258 |
| Sales and Services | 101,551,932 | 97,532,079 |
| Income from Investments | 7,180,159 | 3,877,828 |
| Miscellaneous Revenue | 7,654,957 | 5,312,533 |
| Departmental Restricted Revenue | 48,381,677 | 37,765,832 |
| Federal Grants | 376,739,309 | 361,106,031 |
| Total Revenues | $ 1,672,980,057 | $ 1,564,681,046 |
| Expenditures: | | |
| Individual and Family Development | $ 1,330,321,810 | $ 1,211,126,046 |
| Economic Development | 64,783,018 | 62,938,452 |
| Public Safety | 47,060,529 | 41,593,063 |
| Transportation | 83,438,104 | 74,370,258 |
| Comprehensive Support | 164,911,040 | 140,955,598 |
| Total Expenditures | $ 1,690,514,501 | $ 1,530,983,417 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (17,534,444) | $ 33,697,629 |
| Other Financing Sources (Uses): | | |
| Increase in Reappropriations | $ (3,297,029) | $ (15,040) |
| Increase in Amounts Due from Federal Government and Others | 8,382,939 | 8,775,474 |
| Transfers from Public Facilities Asset Protection Account | 2,275,946 | 19,360 |
| Transfers from State Lottery Fund | 24,119,103 | 20,926,354 |
| Transfers from Federal Reduction Relief Account | 6,000,000 | |
| Adjustment - Prior Year Transactions | 1,147,352 | 715,214 |
| Prior Year Expenditure Refunds | 1,279,951 | 1,235,140 |
| Prior Year Adjustment of Expenditures - Federal Grants and Restricted Funds | 1,315,723 | 583,485 |
| Repayment of Loan to Rhode Island Solid Waste Management Corporation | 200,000 | 238,975 |
| Repayment of Loan to Rhode Island Recreational Building Authority | 40,000 | 20,000 |
| Interest on Advances to the Narragansett Bay Water Quality Management District Commission | | 179,365 |
| Transfers to State Budget Reserve and Cash Stabilization Account | (9,647,641) | (8,370,542) |
| Transfers to Public Facilities Asset Protection Account | (4,823,821) | (4,185,271) |
| Net Advances to Other Funds | (552,170) | (341,350) |
| Total Other Financing Sources and Uses | $ 26,440,353 | $ 19,781,164 |
| Increase in Available Fund Balance | $ 8,905,909 | $ 53,478,793 |
| Available Fund Balance - July 1 | 105,760,444 | 52,281,651 |
| Available Fund Balance - June 30 (Exhibit A-1) | $ 114,666,353 | $ 105,760,444 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-3-1

GENERAL FUND
STATEMENT OF REVENUES - ESTIMATED AND ACTUAL

For the Fiscal Year Ended June 30, 1988

| TAXES | Estimated Revenue | Amended Estimated Revenue | (Exhibit A-2) Actual Revenue | Actual Over (Under) Amended Estimated Revenue |
|---|---|---|---|---|
| Personal Income Tax | $ 339,900,000 | $ 363,134,708 | $ 388,646,738 | $ 25,512,030 |
| General Business Taxes: | | | | |
| Business Corporation Tax | 89,600,000 | 81,707,323 | 66,649,532 | (15,057,791) |
| Franchise Tax | 800,000 | 950,895 | 1,580,293 | 629,398 |
| Gross Earnings Tax - Public Utilities | 47,300,000 | 54,000,000 | 54,113,382 | 113,382 |
| Income Tax - Financial Institutions | 4,900,000 | 7,100,000 | 14,026,996 | 6,926,996 |
| Tax on Insurance Companies | 28,400,000 | 29,500,000 | 30,361,543 | 861,543 |
| Tax on Deposits - Banking Institutions | 7,200,000 | 7,800,000 | 8,021,443 | 221,443 |
| Gross Earnings Tax - Petroleum Companies | | (134,639) | 310,431 | 445,070 |
| Sales and Use Taxes: | | | | |
| Sales and Use Tax | 367,500,000 | 383,305,852 | 381,200,523 | (2,105,329) |
| Motor Vehicle Tax | 25,400,000 | 25,800,000 | 23,843,370 | (1,956,630) |
| Gasoline Tax | 46,500,000 | 45,409,374 | 44,704,781 | (704,593) |
| Cigarette Tax | 28,700,000 | 30,873,846 | 33,524,833 | 2,650,987 |
| Tax on Mfg. of Beers, Liquors, etc. | | (4) | 8,314 | 8,318 |
| Alcoholic Beverage Import Fees | 7,800,000 | 7,600,000 | 7,746,945 | 146,945 |
| Fuel Use Tax on Motor Carriers | | 600,024 | 813,670 | 213,646 |
| Motor Fuel Excise Tax | 9,300,000 | 8,897,241 | 9,219,208 | 321,967 |
| Other Taxes: | | | | |
| Inheritance Tax | 15,200,000 | 18,915,513 | 21,972,540 | 3,057,027 |
| Gift Tax | | (4,470) | 7,763 | 12,233 |
| Non-Resident Contractor Tax | 100,000 | 49,972 | 65,953 | 15,981 |
| Realty Transfer Tax | 5,500,000 | 5,700,000 | 5,441,435 | (258,565) |
| Dog Racing - Pari-Mutuel Betting | 8,200,000 | 8,500,000 | 9,098,479 | 598,479 |
| Tax on Breakage | 200,000 | 200,000 | 201,381 | 1,381 |
| Jai Alai - Pari-Mutuel Betting | 1,400,000 | 1,600,000 | 1,472,430 | (127,570) |
| Tax on Breakage | | 25,000 | 20,357 | (4,643) |
| Admissions Tax - Racing | 100,000 | 100,000 | 146,781 | 46,781 |
| Total Taxes | $1,034,000,000 | $1,081,630,635 | $ 1,103,199,121 | $ 21,568,486 |

## GENERAL FUND
## STATEMENT OF REVENUES - ESTIMATED AND ACTUAL

For the Fiscal Year Ended June 30, 1988

|  | Estimated Revenue | Amended Estimated Revenue | (Exhibit A-2) Actual Revenue | Actual Over (Under) Amended Estimated Revenue |
|---|---|---|---|---|
| DEPARTMENTAL REVENUE RECEIPTS AVAILABLE FOR GENERAL PURPOSES |  |  |  |  |
| Licenses and Fees | $ 14,100,000 | $ 15,032,550 | $ 15,979,205 | $ 946,655 |
| Fines and Penalties | 11,600,000 | 12,311,000 | 12,293,697 | (17,303) |
| Sales and Services | 101,500,000 | 103,552,364 | 101,551,932 | (2,000,432) |
| Miscellaneous | 8,000,000 | 10,901,900 | 14,835,116 | 3,933,216 |
| Total Departmental Revenue Receipts Available for General Purposes | $ 135,200,000 | $ 141,797,814 | $ 144,659,950 | $ 2,862,136 |
| Total General Revenue | $1,169,200,000 | $1,223,428,449 | $1,247,859,071 | $ 24,430,622 |
| DEPARTMENTAL RESTRICTED REVENUE RECEIPTS AVAILABLE FOR SPECIFIC PURPOSES |  |  |  |  |
| Mental Health, Retardation, and Hospitals | $ 107,715 | $ 207,715 | $ 480 | $ (207,235) |
| Health | 763,979 | 1,676,361 | 1,835,272 | 158,911 |
| Human Services | 66,912 | 800,701 | 829,814 | 29,113 |
| Corrections | 500,000 | 500,000 | 313,772 | (186,228) |
| Elementary and Secondary Education | 5,852,034 | 6,921,161 | 6,687,885 | (233,276) |
| State Library Services |  | 29,503 | 41,457 | 11,954 |
| Labor | 897,754 | 953,750 | 1,199,702 | 245,952 |
| Environmental Management | 3,146,263 | 6,688,330 | 8,005,120 | 1,316,790 |
| Business Regulation | 2,011,437 | 2,250,985 | 2,849,727 | 598,742 |
| Transportation | 12,667,523 | 17,142,413 | 16,947,482 | (194,931) |
| Executive | 336,000 | 631,788 | 1,422,137 | 790,349 |
| Attorney General |  | 210,162 | 220,067 | 9,905 |
| Treasury | 1,569,482 | 1,595,466 | 1,212,699 | (382,767) |
| Administration | 374,865 | 433,497 | 1,689,603 | 1,256,106 |
| Legislative | 328,004 | 328,004 | 459,306 | 131,302 |
| Judicial | 35,225 | 244,417 | 337,037 | 92,620 |
| Other Commissions and Agencies | 1,377,324 | 1,447,101 | 1,142,597 | (304,504) |
| General | 3,700,000 | 3,700,000 | 2,427,387 | (1,272,613) |
| Economic Development |  | 448,081 | 557,152 | 109,071 |
| Elderly Affairs | 33,422 | 34,022 | 25,872 | (8,150) |
| Children and Their Families |  | 118,963 | 142,763 | 23,800 |
| Office of Higher Education |  | 30,366 | 30,491 | 125 |
| Workers' Compensation |  |  | 3,855 | 3,855 |
| Total Departmental Restricted Revenue Receipts Available for Specific Purposes | $ 33,767,939 | $ 46,392,786 | $ 48,381,677 | $ 1,988,891 |

Exhibit A-3-3

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## GENERAL FUND
## STATEMENT OF REVENUES - ESTIMATED AND ACTUAL

For the Fiscal Year Ended June 30, 1988

| FEDERAL GRANTS | Estimated Revenue | Amended Estimated Revenue | (Exhibit A-2) Actual Revenue | Actual Over (Under) Amended Estimated Revenue |
|---|---|---|---|---|
| Mental Health, Retardation, and Hospitals | $ 4,962,692 | $ 8,309,365 | $ 5,122,358 | $ (3,187,007) |
| Health | 11,611,739 | 14,888,683 | 12,793,382 | (2,095,301) |
| Human Services | 258,498,902 | 274,716,917 | 257,480,318 | (17,236,599) |
| Corrections | | 258,255 | 199,986 | (58,269) |
| Elementary and Secondary Education | 37,176,438 | 48,348,064 | 40,781,449 | (7,566,615) |
| State Library Services | 557,981 | 639,924 | 395,361 | (244,563) |
| Labor | 58,793 | 58,793 | 46,669 | (12,124) |
| Environmental Management | 4,410,099 | 9,936,189 | 6,429,583 | (3,506,606) |
| Transportation | 5,746,082 | 26,788,791 | 10,716,920 | (16,071,871) |
| Executive | 32,716,839 | 37,869,950 | 24,456,255 | (13,413,695) |
| Attorney General | 521,862 | 521,862 | 511,250 | (10,612) |
| Administration | 244,900 | 285,775 | 239,863 | (45,912) |
| Other Commissions and Agencies | 220,033 | 689,117 | 249,520 | (439,597) |
| Economic Development | 8,837,986 | 9,343,608 | 6,442,604 | (2,901,004) |
| Elderly Affairs | 4,653,005 | 7,386,762 | 4,972,653 | (2,414,109) |
| Children and Their Families | 3,006,692 | 6,963,520 | 5,735,096 | (1,228,424) |
| Office of Higher Education | 54,190 | 281,415 | 166,042 | (115,373) |
| Total Federal Grants | $ 373,278,233 | $ 447,286,990 | $ 376,739,309 | $ (70,547,681) |
| TOTAL REVENUE - GENERAL FUND | $ 1,576,246,172 | $ 1,717,108,225 | $ 1,672,980,057 | $ (44,128,168) |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-4

## GENERAL FUND
## SUMMARY STATEMENT OF AVAILABLE APPROPRIATIONS, EXPENDITURES, AND BALANCES

For the Fiscal Year Ended June 30, 1988

| Department or Activity | (1) Net Balances Brought Forward | Appropriations and Transfers | Appropriation of Restricted Revenues and Federal Grants | Total Available | Expenditures | Balance | Reimbursements Due from Federal Government and Others | Available Appropriations | Lapsed to Surplus | Appropriations Carried Forward |
|---|---|---|---|---|---|---|---|---|---|---|
| Mental Health, Retardation and Hospitals | $ 230,451 | $ 177,528,948 | $ 5,631,727 | $ 183,391,126 | $ 184,286,967 | $ (895,841) | $ 896,321 | $ 480 | $ | $ 480 |
| Health | 769,315 | 20,948,633 | 14,386,420 | 36,104,368 | 35,643,114 | 461,254 | 776,449 | 1,237,703 | | 1,237,703 |
| Human Services | (17,669,033) | 222,379,345 | 258,610,284 | 463,320,596 | 488,417,258 | (25,096,662) | 28,394,475 | 3,297,813 | | 3,297,813 |
| Corrections | 389,845 | 46,577,480 | 957,830 | 47,925,155 | 47,622,210 | 302,945 | 9,967 | 312,912 | | 312,912 |
| Elementary and Secondary Education | (1,884,029) | 314,500,786 | 47,505,411 | 360,122,168 | 359,117,996 | 1,004,172 | 1,163,302 | 2,167,474 | | 2,167,474 |
| State Library Services | 160,668 | 3,991,524 | 437,964 | 4,590,156 | 4,513,693 | 76,463 | 3,716 | 80,179 | | 80,179 |
| Labor | 149,459 | 3,825,365 | 1,246,371 | 5,221,195 | 4,686,201 | 534,994 | | 534,994 | | 534,994 |
| Environmental Management | 3,289,383 | 25,329,335 | 14,147,136 | 42,765,854 | 38,506,020 | 4,259,834 | 984,156 | 5,243,990 | | 5,243,990 |
| Business Regulation | 878,601 | 3,486,637 | 2,849,727 | 7,214,965 | 5,622,892 | 1,592,073 | | 1,592,073 | | 1,592,073 |
| Transportation | (1,436,026) | 66,039,406 | 27,881,675 | 92,485,055 | 95,982,644 | (3,497,589) | 6,056,552 | 2,558,963 | | 2,558,963 |
| Executive | 10,232,407 | 29,025,466 | 25,969,642 | 65,227,515 | 56,410,168 | 8,817,347 | 2,656,497 | 11,473,844 | | 11,473,844 |
| State | 14,307 | 2,627,660 | | 2,641,967 | 2,328,132 | 313,835 | | 313,835 | | 313,835 |
| Attorney General | (157,184) | 7,348,385 | 731,317 | 7,922,518 | 7,991,337 | (68,819) | 103,750 | 34,931 | | 34,931 |
| Treasury | 80,132 | 1,957,434 | 1,212,699 | 3,250,265 | 3,112,621 | 137,644 | | 137,644 | | 137,644 |
| Administration | 612,847 | 80,266,402 | 2,571,099 | 83,450,348 | 82,867,528 | 582,820 | 68,132 | 650,952 | | 650,952 |
| Legislative | 1,101,445 | 10,301,656 | 689,760 | 12,092,861 | 10,736,384 | 1,356,477 | | 1,356,477 | | 1,356,477 |
| Judicial | 91,151 | 25,110,242 | 351,229 | 25,552,622 | 24,865,035 | 687,587 | 203 | 687,790 | | 687,790 |
| Other Commissions and Agencies | 822,818 | 12,766,948 | 1,397,170 | 14,986,936 | 13,974,151 | 1,012,785 | 65,445 | 1,078,230 | 277,350 | 800,880 |
| General | 674,041 | 3,723,539 | 2,427,387 | 6,824,967 | 6,470,213 | 354,754 | | 354,754 | | 354,754 |
| Special Legislative Appropriations | 140,791 | 993,805 | | 1,134,596 | 1,012,779 | 121,817 | | 121,817 | | 121,817 |
| Economic Development | 1,106,078 | 5,841,733 | 6,999,755 | 13,947,566 | 13,571,345 | 376,221 | 348,631 | 724,852 | | 724,852 |
| Elderly Affairs | 84,826 | 8,513,862 | 4,998,525 | 13,597,213 | 13,111,911 | 485,302 | 143,476 | 628,778 | 280,885 | 347,893 |
| Children and Their Families | (469,834) | 51,967,103 | 6,047,949 | 57,545,218 | 57,642,671 | (97,453) | 751,573 | 654,120 | | 654,120 |
| Office of Higher Education | 226,133 | 132,378,454 | 196,533 | 132,801,120 | 130,629,233 | 2,171,887 | 13,086 | 2,184,973 | 97,847 | 2,087,126 |
| Workers' Compensation | 205,075 | 1,403,059 | 3,855 | 1,611,989 | 1,391,998 | 219,991 | | 219,991 | | 219,991 |
| Total | $ (356,333) | $ 1,258,833,207 | $ 427,251,465 | $1,685,728,339 | $1,690,514,501 | $ (4,786,162) | $ 42,435,731 | $ 37,649,569 | $ 656,082 | $ 36,993,487 |

(1) Reconciliation - Appropriations Brought Forward

| | | |
|---|---|---|
| Appropriations Carried Forward June 30, 1987 | | $ 33,967,051 |
| Adjustments - Net Decrease | | (270,592) |
| Adjusted Appropriations Carried Forward June 30, 1987 | | $ 33,696,459 |
| Reimbursements Due from Federal Government June 30, 1987 | $ 33,276,538 | |
| Adjustments - Increase | 389,398 | |
| Adjusted Reimbursements Due from Federal Government June 30, 1987 | | 33,665,936 |
| Reimbursements Due from Others June 30,1987 | $ 450,470 | |
| Adjustments - Decrease | (63,614) | |
| | | 386,856 |
| Net Balances Brought Forward July 1, 1987 | | $ (356,333) |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-5

## GENERAL FUND
## STATEMENT OF CHANGES IN RESERVES

For the Fiscal Year Ended June 30, 1988

| | Federal Reduction Relief Account | State Budget Reserve and Cash Stabilization Account | Public Facilities Asset Protection Account | Internal Service Funds | Departmental Imprest Cash | Total |
|---|---|---|---|---|---|---|
| Balances, July 1, 1987 | $7,892,787 | $ 18,333,461 | $ 4,165,911 | $4,182,500 | $ 288,075 | $34,862,734 |
| Additions: | | | | | | |
| State Lottery Fund Transfers | $ | $ 9,647,640 | $ 4,823,821 | $ | $ | $14,471,461 |
| Investment Earnings | 109,910 | | | | | 109,910 |
| Other | | | | 600,000 | 4,650 | 604,650 |
| Total Additions | $ 109,910 | $ 9,647,640 | $ 4,823,821 | $ 600,000 | $ 4,650 | $15,186,021 |
| Total Available | $8,002,697 | $ 27,981,101 | $ 8,989,732 | $4,782,500 | $ 292,725 | $50,048,755 |
| Deductions: | | | | | | |
| Transfers Out | $6,000,000 | $ | $ 2,275,946 | $ 50,000 | $ 2,480 | $ 8,328,426 |
| Total Deductions | $6,000,000 | $ | $ 2,275,946 | $ 50,000 | $ 2,480 | $ 8,328,426 |
| Balances, June 30, 1988 | $2,002,697 | $ 27,981,101 | $ 6,713,786 | $4,732,500 | $ 290,245 | $41,720,329 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-6

## GENERAL FUND
## SCHEDULE OF APPROPRIATIONS

For the Fiscal Year Ended June 30, 1988

APPROPRIATIONS:

JANUARY SESSION, 1987

| | | | |
|---|---|---|---|
| Act H-5800, Sub A, As Amended | Appropriations for Support of the State 1987-1988 | $ 1,25[illegible],091,836 | |
| Act H-6511, As Amended | Maternal and Child Health / Crippled Children's Services | 200,000 | |
| Act H-6229, Sub A, As Amended | Special Legislative Commission to Study the Entire Area of Land Use | 50,000 | |
| Act H-8497 | Health Education, Alcohol and Substance Abuse Prevention Fund | 47,156 | |
| Act S-680, As Amended | Pilot Program on Youth Suicide | 35,000 | |
| Act H-6642, Sub A | Interest Forgiveness on Education Loans | 25,000 | |
| Act H-5837, Sub A | Appropriation for the Study of Public Higher Education in Rhode Island | 25,000 | |
| Act S-503, Sub A, H-5137, Sub A | Claims - Various | 23,925 | |
| Act S-855, As Amended | Volunteer In-Home Respite Care Program | 15,000 | |
| Act S-186, H-5733 | Retirement Assistance | 10,000 | |
| Act H-5264, H-5265, H-6985, H-7070 | Veterans Bonus | 1,800 | $ 1,251,524,717 |

JANUARY SESSION, 1988

| | | | |
|---|---|---|---|
| Act H-8991, Sub A | Additional Appropriation for the Support of the State 1987-1988 | $ 5,074,400 | |
| Act H-9943 | Compensation - Clerks, Pages, Doorkeepers, and Aides - General Assembly | 39,420 | 5,113,820 |

| | | |
|---|---|---|
| Section 9-31-5 of the General Laws - Tort Action Claims - Court Awards | | 959,879 |
| Section 35-3-19 of the General Laws - Additional Interest Requirements | | 1,234,791 |
| Total | | $ 1,258,833,207 |
| Appropriations of Restricted Revenues and Federal Grants | | 427,251,465 |
| Total Current Year Appropriations | | $ 1,686,084,672 |
| Appropriations Carried Forward by Governor | $ 7,669,008 | |
| Appropriations Carried Forward by Statute | (8,025,341) | |
| Total Appropriations Carried Forward | | (356,333) |
| Total Available Appropriations for the Fiscal Year Ended June 30, 1988 | | $ 1,685,728,339 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-7

## GENERAL FUND
## ANALYSIS OF APPROPRIATION FOR CONTINGENCIES

For the Fiscal Year Ended June 30, 1988

| | | |
|---|---|---|
| Balance Brought Forward July 1, 1987 | | $ |
| Annual Appropriation Bill (Ch. 118, P.L.1987) | | 1,350,000 |
| Supplemental Appropriation Bill (Ch. 333, P.L. 1988) | | 800,000 |
| Intrafund Transfers | | 1,407,758 |
| Total Available | | $ 3,557,758 |
| TRANSFERS | | |
| Department of Health | | |
| Office of Director | $ 65,417 | |
| Department of Human Services | | |
| Vocational Rehabilitation | 2,023 | |
| Department of Corrections | | |
| Division of Adult Services | 1,377,809 | |
| Department of Elementary and Secondary Education | | |
| Vocational and Adult Education | 50,000 | |
| Department of Labor | | |
| Occupational Safety | 118,828 | |
| Labor Relations Board | 15,000 | |
| Department of Environmental Management | | |
| Air Resources and Hazardous Materials | 8,593 | |
| Executive Department | | |
| Office of the Governor | 150,017 | |
| Division of Fire Safety | 20,320 | |
| Governor's Office of Energy Assistance | 39,727 | |
| Historical Preservation Commission | 20,000 | |
| Rhode Island Heritage Commission | 44,556 | |
| National Guard and Naval Militia | 35,902 | |
| R.I. Emergency Management Agency | 159,934 | |
| State Military Property Officer | 14,858 | |
| Maintenance of Federal Buildings - National Guard | 39,994 | |
| Governor's Commission on the Handicapped | 746 | |
| Military Staff | 44,660 | |
| Sheriffs of the Several Counties | 78,805 | |
| State Police | 608,015 | |
| Department of Attorney General | | |
| Office of Attorney General | 507,252 | |
| Office of Higher Education | | |
| Commissioner's Office | 34,000 | |
| Total Transfers | $ 3,436,456 | |
| EXPENDITURES | 121,302 | |
| Total Transfers and Expenditures | | 3,557,758 |
| Balance Carried Forward June 30, 1988 | | $ |

Exhibit A-8-1

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

### GENERAL FUND
### COMPARATIVE STATEMENT OF TAXES RECEIVABLE AND ACCOUNTS RECEIVABLE

For the Fiscal Years Ended June 30, 1988 and 1987

| TAXES RECEIVABLE | 1988 | 1987 | Increase (Decrease) | Write Offs |
|---|---|---|---|---|
| Personal Income Tax | $ 14,525,770 | $ 12,455,670 | $ 2,070,100 | $ 457,001 |
| Business Corporation Tax | 3,389,906 | 1,560,578 | 1,829,328 | 56,271 |
| Franchise Tax | 123,156 | 128,110 | (4,954) | 82,900 |
| Sales and Use Tax | 39,638,482 | 38,450,277 | 1,188,205 | 575,621 |
| Gasoline Tax | 1,939,432 | 2,649,709 | (710,277) | 31,871 |
| Cigarette Tax | 2,316,334 | 2,109,885 | 206,449 | |
| Tax on Manufacturers of Beers, Liquors, etc. | 565 | 4 | 561 | |
| Inheritance Tax | 866,841 | 731,969 | 134,872 | 4,379 |
| Gift Tax | 3,275 | 4,967 | (1,692) | |
| Non-Pesident Contractor Tax Recovery | 21,156 | 223 | 20,933 | 3,812 |
| Gross Earnings Tax - Petroleum Companies | 555,761 | 424,726 | 131,035 | 39,302 |
| Fuel Use Tax - Motor Carriers | | 3,566 | (3,566) | 88 |
| Motor Fuel Excise Tax | 271,730 | 385,395 | (113,665) | |
| Total Taxes Receivable | $ 63,652,408 | $ 58,905,079 | $ 4,747,329 | $1,251,245 |
| Less: Allowance for Uncollectible and Unavailable Amounts | 5,182,661 | 4,389,705 | 792,956 | |
| Total Net Taxes Receivable | $ 58,469,747 | $ 54,515,374 | $ 3,954,373 | $1,251,245 |

| ACCOUNTS RECEIVABLE | | 1988 | 1987 | Increase (Decrease) | Write Offs |
|---|---|---|---|---|---|
| **Department of Mental Health, Retardation and Hospitals** | | | | | |
| Board and Support of Wards and Patients: | | | | | |
| Institute of Mental Health | $ 556,064 | | | | |
| General Hospital | 6,026,508 | | | | |
| Dr. Joseph H. Ladd School | 2,442,347 | | | | |
| Zambarano Memorial Hospital | 2,015,733 | $ 11,040,652 | $ 11,248,708 | $ (208,056) | $ 781,770 |
| **Department of Health** | | | | | |
| Dog Racing - Chemical Tests | | 242,234 | 272,038 | (29,804) | |
| **Department of Human Services** | | | | | |
| Board and Support of Residents - R.I. Veterans' Home | $ 124,539 | | | | |
| Services to the Deaf and Visually Impaired | 12,553 | | | | |
| Equipment Loan - Handicapped | 22,623 | 159,715 | 519,290 | (359,575) | 1,315 |
| **Department of Corrections** | | | | | |
| Board and Support of U.S. Prisoners | | 770 | | 770 | |
| **Department of Elementary and Secondary Education** | | | | | |
| Tuition Fees - William M. Davies Vocational-Technical School | $ 1,403,086 | | | | |
| Local Contributions for Special Education | 162,303 | | | | |
| Private Contributions - School Children Lunches | 11,499 | | | | |
| Education and Career Opportunities of the Handicapped Program | 14,900 | | | | |
| Local Contributions for Computer Technology | 170,073 | 1,761,861 | 1,564,718 | 197,143 | |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-8-2

## GENERAL FUND
## COMPARATIVE STATEMENT OF TAXES RECEIVABLE AND ACCOUNTS RECEIVABLE

For the Fiscal Years Ended June 30, 1988 and 1987

| ACCOUNTS RECEIVABLE | | 1988 | 1987 | Increase (Decrease) | Write Offs |
|---|---|---|---|---|---|
| Department of State Library Services | | | | | |
| Hearth and Home Grant | | $ | $ 1,146 | $ (1,146) | $ |
| Department of Labor | | | | | |
| Inspection of Steam Boilers | $ 1,632 | | | | |
| Inspection of Elevators | 4.135 | 5,767 | 3,369 | 2,398 | 15 |
| Department of Environmental Management | | | | | |
| Division of Coastal Resources - Rental of Wharves, Docks, etc. | $ 194,248 | | | | |
| Division of Land Resources | 1,127 | | | | |
| Environmental Response Fund - Fines and Penalties | 287,567 | 482,942 | 197,241 | 285,701 | 10,858 |
| Department of Transportation | | | | | |
| Roads and Bridges | $ 174,333 | | | | |
| State Airport | 1,138,223 | 1,312,556 | 355,504 | 957,052 | 582 |
| Executive Department | | | | | |
| Housing Acquisition, Construction, and Rehabilitation | $ 254,010 | | | | |
| R.I. National Guard Facilities - Capital Improvements | 200,000 | 454,010 | 487,085 | (33,075) | |
| Department of Administration | | | | | |
| Publications - Building Codes | | 37 | 7,857 | (7,820) | |
| Judicial Department | | | | | |
| Computer Aided Transcription System - Stenographers' Contribution | | | 14,191 | (14,191) | |
| Other Commissions and Agencies | | | | | |
| Expenses Recovered - Public Utility Companies, Common Carriers | | 12,687 | 15,164 | (2,477) | |
| Total Accounts Receivable | | $ 15,473,231 | $ 14,686,[illegible] | $ 786,920 | $ 794,540 |
| Less: Allowance for Uncollectible and Unavailable Amounts | | 1,044,894 | 1,244,[illegible] | (200,104) | |
| Total Net Accounts Receivable | | $ 14,428,337 | $ 13,441,313 | $ 987,024 | $ 794,540 |

Exhibit A-9

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

### GENERAL FUND
### STATEMENT OF EXPENDITURES
### BY SOURCE OF FUNDS

For the Fiscal Year Ended June 30, 1988

| | | | Restricted | | |
|---|---|---|---|---|---|
| Department or Activity | General | Federal | Departmental | Public Facilities Asset Protection Account | Total |
| Mental Health, Retardation, and Hospitals | $ 177,888,998 | $ 5,889,080 | $ | $ 508,889 | $ 184,286,967 |
| Health | 21,118,065 | 13,076,422 | 1,448,627 | | 35,643,114 |
| Human Services | 224,115,588 | 263,432,070 | 869,600 | | 488,417,258 |
| Corrections | 46,862,702 | 13,000 | 302,436 | 444,072 | 47,622,210 |
| Elementary and Secondary Education | 312,896,033 | 39,420,791 | 6,786,325 | 14,847 | 359,117,996 |
| State Library Services | 4,005,607 | 425,393 | 82,693 | | 4,513,693 |
| Labor | 3,846,892 | 47,675 | 791,634 | | 4,686,201 |
| Environmental Management | 25,607,551 | 6,813,547 | 6,084,922 | | 38,506,020 |
| Business Regulation | 3,555,220 | | 2,067,672 | | 5,622,892 |
| Transportation | 64,944,593 | 14,510,624 | 16,311,821 | 215,606 | 95,982,644 |
| Executive | 29,210,979 | 26,641,351 | 499,663 | 58,175 | 56,410,168 |
| State | 2,328,132 | | | | 2,328,132 |
| Attorney General | 7,348,385 | 424,620 | 218,332 | | 7,991,337 |
| Treasury | 1,920,118 | | 1,192,503 | | 3,112,621 |
| Administration | 80,308,722 | 382,664 | 1,542,330 | 633,812 | 82,867,528 |
| Legislative | 10,004,451 | | 501,478 | 230,455 | 10,736,384 |
| Judicial | 24,674,915 | | 190,120 | | 24,865,035 |
| Other Commissions and Agencies | 12,448,608 | 240,698 | 1,284,845 | | 13,974,151 |
| General | 4,068,869 | | 2,401,344 | | 6,470,213 |
| Special Legislative Appropriations | 1,012,779 | | | | 1,012,779 |
| Economic Development | 5,767,844 | 7,293,415 | 510,086 | | 13,571,345 |
| Elderly Affairs | 8,004,468 | 5,076,810 | 30,633 | | 13,111,911 |
| Children and Their Families | 51,930,745 | 5,391,967 | 149,869 | 170,090 | 57,642,671 |
| Office of Higher Education | 130,426,503 | 165,284 | 37,446 | | 130,629,233 |
| Workers' Compensation | 1,388,533 | | 3,465 | | 1,391,998 |
| Total | $ 1,255,685,300 | $ 389,245,411 | $ 43,307,844 | $ 2,275,946 | $ 1,690,514,501 |

## FINANCIAL SECTION

Exhibit/
Schedule

### SPECIAL REVENUE FUNDS:

Combining Balance Sheets - All Special Revenue Funds........ B-1

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds........ B-2

Highway Fund

Balance Sheets........ B-3

Statement of Revenues, Expenditures, and Changes in Fund Balances........ B-4

Capital Center Project Fund

Balance Sheets........ B-5

Statement of Revenues, Expenditures, and Changes in Fund Balances........ B-6

Providence River Relocation - Memorial Boulevard Extension Project Fund

Balance Sheets........ B-7

Statement of Revenues, Expenditures, and Changes in Fund Balances........ B-8

Employment Insurance Funds

Combining Balance Sheets........ B-9

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances........ B-10

Other Special Revenue Funds

Combining Balance Sheets........ B-11

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances........ B-12

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-1

## COMBINING BALANCE SHEETS
## ALL SPECIAL REVENUE FUNDS

June 30, 1988

| | Highway (B-3) | Capital Center Project (B-5) | Providence River Relocation-Memorial Boulevard Extension Project (B-7) | Employment Insurance (B-9) | Other (B-11) | Totals June 30,1988 | Totals June 30,1987* |
|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | |
| Cash | $ 2,863,463 | $ 357,397 | $ 749,258 | $ 1,122,352 | $ 4,994,344 | $ 10,086,814 | $ 4,497,227 |
| Funds in Trust (Custody of U.S. Treasury) | | | | 241,842,542 | | 241,842,542 | 168,196,960 |
| Investments | 500,000 | | | 55,550,000 | 18,688,000 | 74,738,000 | 85,193,000 |
| Receivables: | | | | | | | |
| Taxes | | | | 1,943,595 | | 1,943,595 | 2,182,865 |
| Accounts | 242,896 | | | 1,331,594 | 140,519 | 1,715,009 | 1,446,954 |
| Due from Other Funds | 791,789 | 331,519 | 2,469,881 | | | 3,593,189 | 1,672,136 |
| Due from Other Governments and Agencies | 42,777,741 | 701,006 | 54,000 | 922,167 | 62,071 | 44,516,985 | 26,254,614 |
| Total Assets | $ 47,175,889 | $ 1,389,922 | $ 3,273,139 | $302,712,250 | $23,884,934 | $ 378,436,134 | $ 289,443,756 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Cash Overdraft | $ | $ | $ | $ 8,692 | $ | $ 8,692 | $ 174,320 |
| Vouchers and Accounts Payable | 15,419,443 | 1,349,074 | 967,644 | 721,394 | 1,243,981 | 19,701,536 | 15,515,147 |
| Accrued Payroll and Fringe Benefits | 609,246 | 9,190 | | 465,039 | 31,715 | 1,115,190 | 812,551 |
| Due to Other Funds | 339,271 | | 2,268,016 | | 15,381 | 2,622,668 | 1,540,251 |
| Due to Other Governments | | | | | 41,575 | 41,575 | 41,409 |
| Deferred Revenue | | 31,658 | | | 6,550,115 | 6,581,773 | 5,785,476 |
| Total Liabilities | $ 16,367,960 | $ 1,389,922 | $ 3,235,660 | $ 1,195,125 | $ 7,882,767 | $ 30,071,434 | $ 23,869,154 |
| Fund Balances: | | | | | | | |
| Reserved for Encumbrances | $ 194,935,556 | $ 958,905 | $ 17,699,636 | $ 596,221 | $ 705,079 | $ 214,895,397 | $ 202,332,406 |
| Reserved for Employment Insurance Programs | | | | 300,920,444 | | 300,920,444 | 236,169,411 |
| Designated for Incomplete Projects | 77,860,550 | (958,905) | | | 2,981,825 | 79,883,470 | 88,338,414 |
| Other Reserves | | | 37,479 | 460 | 3,000 | 40,939 | 25,048 |
| Unreserved | (241,988,177) | | (17,699,636) | | 12,312,263 | (247,375,550) | (261,290,677) |
| Total Fund Balances (Exhibit B-2) | $ 30,807,929 | $ | $ 37,479 | $301,517,125 | $16,002,167 | $ 348,364,700 | $ 265,574,602 |
| Total Liabilities and Fund Balances | $ 47,175,889 | $ 1,389,922 | $ 3,273,139 | $302,712,250 | $23,884,934 | $ 378,436,134 | $ 289,443,756 |

*Restated.

Exhibit B-2

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
## ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 1988

| | Highway (B-4) | Capital Center Project (B-6) | Providence River Relocation-Memorial Boulevard Extension Project (B-8) | Employment Insurance (B-10) | Other (B-12) | Totals | |
|---|---|---|---|---|---|---|---|
| | | | | | | June 30,1988 | June 30,1987* |
| Revenues: | | | | | | | |
| Taxes - Employers and Employees | $ | $ | $ | $166,347,092 | $ | $ 166,347,092 | $ 165,697,187 |
| Licenses, Fees, Sales and Services | | | | | 2,053,247 | 2,053,247 | 1,695,311 |
| Intergovernmental Revenues: | | | | | | | |
| Federal | 101,456,579 | 888,214 | | 17,546,858 | 73,029 | 119,964,680 | 93,780,552 |
| State | | | | 786,196 | | 786,196 | 998,379 |
| Municipal | | 127,489 | 1,143,397 | 200,000 | | 1,470,886 | 1,298,164 |
| Contributions | | | | 1,271,220 | 6,032,134 | 7,303,354 | 4,336,758 |
| Income from Investments | | | 14,391 | 22,425,171 | 1,376,277 | 23,815,839 | 18,090,933 |
| Miscellaneous Income | | 24,636 | 75,696 | 287,730 | 166 | 388,228 | 735,815 |
| Total Revenues | $ 101,456,579 | $ 1,040,339 | $ 1,233,484 | $208,864,267 | $ 9,534,853 | $ 322,129,522 | $ 286,633,099 |
| Expenditures: | | | | | | | |
| Individual and Family Development | $ | $ | $ | $122,452,937 | $ | $ 122,452,937 | $ 116,848,804 |
| Economic Development | | | | 21,184,114 | 6,096,319 | 27,280,433 | 25,984,314 |
| Transportation | 121,250,280 | 3,248,617 | 6,058,237 | | | 130,557,134 | 99,268,283 |
| Total Expenditures | $ 121,250,280 | $ 3,248,617 | $ 6,058,237 | $143,637,051 | $ 6,096,319 | $ 280,290,504 | $ 242,101,401 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (19,793,701) | $(2,208,278) | $ (4,824,753) | $ 65,227,216 | $ 3,438,534 | $ 41,839,018 | $ 44,531,698 |
| Other Financing Sources (Uses): | | | | | | | |
| Interfund and Intrafund Transfers | $ 33,802,646 | $ 2,208,278 | $ 4,952,092 | $ (11,936) | $ | $ 40,951,080 | $ 19,789,995 |
| Total Other Financing Sources (Uses) | $ 33,802,646 | $ 2,208,278 | $ 4,952,092 | $ (11,936) | $ | $ 40,951,080 | $ 19,789,995 |
| Increase in Fund Balances | $ 14,008,945 | $ | $ 127,339 | $ 65,215,280 | $ 3,438,534 | $ 82,790,098 | $ 64,321,693 |
| Fund Balances (Deficit), July 1 | 16,798,984 | | (89,860) | 236,301,845 | 12,563,633 | 265,574,602 | 201,252,909 |
| Fund Balances, June 30 (Exhibit B-1) | $ 30,807,929 | $ | $ 37,479 | $301,517,125 | $16,002,167 | $ 348,364,700 | $ 265,574,602 |

*Restated.

## HIGHWAY CONSTRUCTION FUNDS (Exhibits B-3, 4)

### Financing

With the exception of the Capital Center Project and the Providence River Relocation-Memorial Boulevard Extension Project, the Highway Fund accounts for the financial operations of the State-Federal Highway Construction Program, including Federal Grants and construction payments.

The method of financing this large expenditure is set forth in the exhibits referred to above. Federal grants are recognized as revenue when receivable in reimbursement of allowable project costs. State bonds issued to finance highway projects are recognized as an other financing source to the Bond Capital Fund (refer to Exhibits D-1 and D-2) when issued and cash transfers from the Bond Capital Fund to the Highway Fund are recorded as interfund transfers.

Federal allocations unexpended represent federal funds allocated to the State which may be used for federally approved highway projects.

Changes in federal allocations unexpended are summarized as follows:

| | |
|---|---|
| 1987 Federal Allocation Unexpended | $335,785,463 |
| 1988 Federal Allocations | 105,633,157 |
| Federal Allocations Available | $441,418,620 |
| Less: | |
| Highway Expenditures | 101,456,579 |
| 1988 Federal Allocations Unexpended | $339,962,041 |

The annual grants for road construction are required to be placed under a Federal Project agreement prior to the lapsing date to prevent a loss of funds and are payable on a reimbursement basis for allowable project costs, subject to the terms and conditions of the project agreements. Expenditures reimbursable by the Federal Government are subject to audit.

## Highway Construction Highlights (Cont'd)

### Federal Allocations Unexpended:

| | 1988 | 1987 |
|---|---|---|
| Primary, Secondary, Urban, and Highway Planning and Research | $ 14,371,945 | $ 13,440,167 |
| Interstate | 64,984,775 | 56,320,635 |
| Interstate Transfers | 148,259,248 | 141,090,506 |
| Bridge Replacement | 33,785,666 | 40,122,077 |
| Federal Highway Safety Act of 1973 | 6,576,748 | 7,134,817 |
| Mass Transit Activities | 3,191,653 | 2,937,834 |
| Economic Growth Centers | 1,649,200 | 1,649,200 |
| Off Systems Road Program | 2,061 | 2,061 |
| Transition Quarter Funds | 112,801 | 122,260 |
| Consolidated Primary | 27,943,259 | 26,585,862 |
| Railroad Demonstration Projects | 1,545,930 | 1,711,085 |
| Excess Minimum Interstate | 34,895,391 | 44,668,959 |
| Demonstration Projects | 2,643,364 | |
| | $339,962,041 | $335,785,463 |

### Due from Federal Government:

| | 1988 | 1987 |
|---|---|---|
| Primary | $ 90,744 | $ 151,144 |
| Secondary | 493,146 | 529,920 |
| Urban | 3,129,803 | 1,606,455 |
| Highway Planning and Research | 467,533 | 368,793 |
| Interstate | 3,870,752 | 1,519,892 |
| Interstate Transfers | 19,883,167 | 11,075,520 |
| Bridge Replacement | 2,974,644 | 2,360,261 |
| Federal Highway Safety Act of 1973 | 359,094 | 559,688 |
| Transition Quarter Funds | 21,562 | 18,638 |
| Consolidated Primary | 4,268,014 | 3,392,103 |
| Railroad Demonstration Projects | 380,369 | (19,358) |
| Excess Minimum Interstate | 6,838,913 | 1,812,671 |
| | $ 42,777,741 | $ 23,375,727 |

## HIGHWAY CONSTRUCTION FUNDS (Exhibits B-3, 4)

### Highway Construction Highlights (Cont'd)

| Reserve for Encumbrances: | 1988 | 1987 |
|---|---|---|
| Primary | $ 328,571 | $ 431,298 |
| Secondary | 3,158,714 | 2,691,756 |
| Urban | 22,898,666 | 30,801,580 |
| Highway Planning and Research | 132,259 | 91,846 |
| 100% State Projects | 1,299,395 | 1,513,488 |
| Interstate | 10,846,861 | 16,719,274 |
| Interstate Transfer | 106,266,913 | 85,822,088 |
| Bridge Replacement | 34,197,366 | 38,054,294 |
| Federal Highway Safety Act of 1973 | 2,302,267 | 4,664,925 |
| Interstate - Primary-State of Connecticut | 13,536 | 13,536 |
| Off Systems Road Program | 183 | 183 |
| Consolidated Primary | 12,324,696 | 15,162,413 |
| Railroad Demonstration Projects | 1,166,129 | 1,203,343 |
| | $194,935,556 | $197,170,024 |

| Designated for Incomplete Projects: | 1988 | 1987 |
|---|---|---|
| Primary | $ 1,812,318 | $ 2,004,841 |
| Secondary | 6,392,561 | 3,623,213 |
| Urban | 2,380,151 | 7,745,360 |
| Highway Planning and Research | 1,496,906 | 3,228,686 |
| 100% State Projects | 4,865,371 | 2,524,624 |
| Interstate | 7,527,328 | 10,339,702 |
| Interstate Transfer | 25,847,078 | 51,999,524 |
| Bridge Replacement | (4,408,562) | (463,818) |
| Federal Highway Safety Act of 1973 | 1,786,770 | 2,394,541 |
| Interstate - Primary-State of Connecticut | 70,249 | 70,249 |
| Economic Growth Centers | 2,200,021 | 2,200,021 |
| Off Systems Road Program | 55,418 | 55,418 |
| Transition Quarter Funds | 70,959 | 80,097 |
| Consolidated Primary | 26,785,790 | 4,052,526 |
| Railroad Demonstration Projects | 255,257 | 308,726 |
| Excess Minimum Interstate | 722,935 | 723,615 |
| | $ 77,860,550 | $ 90,887,325 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-3

## HIGHWAY FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 2,863,463 | $ |
| Investments | 500,000 | 5,200,000 |
| Accounts Receivable | 242,896 | 105,178 |
| Due from General Fund | | 125,185 |
| Due from Bond Capital Fund | 54,643 | 13,808 |
| Due from Providence River Relocation - Memorial Boulevard Extension Project Fund | 737,146 | 861,268 |
| Due from Federal Government | 42,777,741 | 23,375,727 |
| Total Assets | $ 47,175,889 | $ 29,681,166 |
| **LIABILITIES AND FUND BALANCES** | | |
| Liabilities: | | |
| Cash Overdraft | $ | $ 174,320 |
| Vouchers and Accounts Payable | 15,419,443 | 11,634,831 |
| Accrued Payroll and Employee Benefits | 609,246 | 421,999 |
| Due to General Fund | 228,894 | |
| Due to Capital Center Project Fund | 110,377 | 651,032 |
| Total Liabilities | $ 16,367,960 | $ 12,882,182 |
| Fund Balances: | | |
| Reserved for Encumbrances | $ 194,935,556 | $ 197,170,024 |
| Designated for Incomplete Projects | 77,860,550 | 90,887,325 |
| Undesignated | (241,988,177) | (271,258,365) |
| Total Fund Balances (Exhibit B-4) | $ 30,807,929 | $ 16,798,984 |
| Total Liabilities and Fund Balances | $ 47,175,889 | $ 29,681,166 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-4

## HIGHWAY FUND
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Federal | $ 101,456,579 | $ 76,398,335 |
| Total Revenues | $ 101,456,579 | $ 76,398,335 |
| Expenditures: | | |
| Transportation | $ 121,250,280 | $ 88,912,560 |
| Total Expenditures | $ 121,250,280 | $ 88,912,560 |
| Excess (Deficiency) of Revenues over Expenditures | $ (19,793,701) | $ (12,514,225) |
| Other Financing Sources (Uses): | | |
| Transfer from Bond Capital Fund | $ 38,467,075 | $ 18,210,000 |
| Transfer from General Fund | | 692 |
| Transfer to Capital Center Project Fund | (2,214,637) | (6,267,251) |
| Transfer to Providence River Relocation - Memorial Boulevard Extension Project Fund | (2,449,792) | (657,996) |
| Total Other Financing Sources (Uses) | $ 33,802,646 | $ 11,285,445 |
| Increase (Decrease) in Fund Balances | $ 14,008,945 | $ (1,228,780) |
| Fund Balances, July 1 | 16,798,984 | 18,027,764 |
| Fund Balances, June 30 (Exhibit B-3) | $ 30,807,929 | $ 16,798,984 |

## CAPITAL CENTER PROJECT FUND (Exhibits B-5, 6)

### Financing

The method of financing this large expenditure is set forth in the exhibits referred to above.

The Capital Center Project Fund was created by executive order during the fiscal year ended June 30, 1983. The fund accounts for the relocation of Amtrak's rail passenger station and associated mainline right-of-way in Providence, Rhode Island, and construction of certain integrally related improvements, as part of the implementation of both the Northeast Corridor Improvement Project and the Capital Center Project.

Design and construction responsibilities, funding commitments, cost-sharing provisions, land exchange commitments, maintenance responsibilities, and provisions for historic preservation are specified in a cooperative agreement in effect among the following parties: the Federal Railroad Administration (FRA), the State of Rhode Island and Providence Plantations, the City of Providence, the Providence Redevelopment Agency (PRA), the Providence and Worcester Realty Company (P & W), and the National Railroad Passenger Corporation (Amtrak). The agreement also specifies how the State, through the Department of Transportation, is to handle Federal Highway Administration (FHWA) funding for the project.

Exhibit B-5

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## CAPITAL CENTER PROJECT FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | 1988 | 1987 |
|---|---|---|
| Cash | $ 357,397 | $ 697,401 |
| Due from Federal Government | 700,706 | 208,222 |
| Due from Highway Fund | 110,377 | 651,032 |
| Due from Bond Capital Fund | 272 | 8,273 |
| Due from Others | 300 | 3,244 |
| Due from Providence River Relocation - Memorial Boulevard Extension Project Fund | 220,870 | 12,570 |
| Total Assets | $ 1,389,922 | $ 1,580,742 |
| **LIABILITIES AND FUND BALANCES** | | |
| Liabilities: | | |
| Vouchers and Accounts Payable | $ 1,349,074 | $ 1,551,540 |
| Deferred Revenue | 31,658 | 21,819 |
| Accrued Payroll and Employee Benefits | 9,190 | 7,383 |
| Total Liabilities | $ 1,389,922 | $ 1,580,742 |
| Fund Balances: | | |
| Reserved for Encumbrances | $ 958,905 | $ 2,794,513 |
| Undesignated | (958,905) | (2,794,513) |
| Total Fund Balances (Exhibit B-6) | $ | $ |
| Total Liabilities and Fund Balances | $ 1,389,922 | $ 1,580,742 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-6

## CAPITAL CENTER PROJECT FUND
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Federal | $ 888,214 | $ 929,763 |
| Municipal | 127,489 | 204,177 |
| Other | 24,636 | 131,460 |
| Total Revenues | $ 1,040,339 | $ 1,265,400 |
| Expenditures: | | |
| Transportation | $ 3,248,617 | $ 7,778,518 |
| Total Expenditures | $ 3,248,617 | $ 7,778,518 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (2,208,278) | $ (6,513,118) |
| Other Financing Sources (Uses): | | |
| Transfer from Highway Fund | $ 2,214,637 | $ 6,267,251 |
| Transfer from Bond Capital Fund | 12,209 | 54,240 |
| Transfer from R.I. Port Authority and Economic Development Corporation | 3,771 | 23,136 |
| Transfer from General Fund | 10,080 | 168,491 |
| Transfer to Providence River Relocation - Memorial Boulevard Extension Project Fund | (32,419) | |
| Total Other Financing Sources (Uses) | $ 2,208,278 | $ 6,513,118 |
| Increase in Fund Balances | | |
| Fund Balances, July 1 | | |
| Fund Balances, June 30 (Exhibit B-5) | $ | $ |

# PROVIDENCE RIVER RELOCATION-MEMORIAL BOULEVARD EXTENSION PROJECT FUND

(Exhibits B-7 and B-8)

## Comments

This fund was established in accordance with Section 42-9-1 of the General Laws of the State of Rhode Island to account for a project involving the relocation of the Moshassuck and Woonasquatucket rivers, extension of Memorial Boulevard and related improvements.

Most of the funding for this project is provided by the State of Rhode Island, the Federal Highway Administration and the City of Providence. Design and construction responsibilities, funding commitments, cost-sharing provisions, land exchange commitments, maintenance responsibilities, and provisions for historic preservation are specified in a comprehensive agreement between the State and the City of Providence.

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-7

## PROVIDENCE RIVER RELOCATION - MEMORIAL BOULEVARD EXTENSION PROJECT FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | 1988 | 1987 |
|---|---|---|
| Cash | $ 749,258 | $ 149,337 |
| Investments | | 125,000 |
| Due from City of Providence | 54,000 | 938,987 |
| Due from State of Rhode Island and its Agencies | 2,469,881 | |
| Total Assets | $ 3,273,139 | $ 1,213,324 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Vouchers and Accounts Payable | $ 967,644 | $ 429,346 |
| Advance from General Fund | 1,310,000 | |
| Due to Highway Fund | 737,146 | 861,268 |
| Due to Capital Center Project Fund | 220,870 | 12,570 |
| Total Liabilities | $ 3,235,660 | $ 1,303,184 |
| Fund Balances: | | |
| Reserved for Encumbrances | $ 17,699,636 | $ 1,401,294 |
| Reserved for Rhode Island Port Authority and Economic Development Corporation | 37,479 | 23,088 |
| Undesignated | (17,699,636) | (1,514,242) |
| Total Fund Balances (Exhibit B-8) | $ 37,479 | $ (89,860) |
| Total Liabilities and Fund Balances | $ 3,273,139 | $ 1,213,324 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-8

## PROVIDENCE RIVER RELOCATION - MEMORIAL BOULEVARD EXTENSION PROJECT FUND
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Municipal | $ 1,143,397 | $ 938,987 |
| Income from Investments | 14,391 | 23,088 |
| Other | 75,696 | |
| Total Revenues | $ 1,233,484 | $ 962,075 |
| Expenditures: | | |
| Transportation | $ 6,058,237 | $ 2,577,205 |
| Total Expenditures | $ 6,058,237 | $ 2,577,205 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (4,824,753) | $ (1,615,130) |
| Other Financing Sources: | | |
| Transfer from State of Rhode Island and its Agencies | $ 2,469,881 | $ 867,274 |
| Transfer from Capital Center Fund | 32,419 | |
| Transfer from Highway Fund | 2,449,792 | 657,996 |
| Total Other Financing Sources | $ 4,952,092 | $ 1,525,270 |
| Increase (Decrease) in Fund Balances | $ 127,339 | $ (89,860) |
| Fund Balances (Deficit), July 1 | (89,860) | |
| Fund Balances (Deficit), June 30 (Exhibit B-7) | $ 37,479 | $ (89,860) |

# EMPLOYMENT INSURANCE FUNDS

(Exhibits B-9, 10)

## Comments

For statement purposes, the Employment Security Funds and Temporary Disability Insurance Funds, and the respective Administration accounts are designated as Employment Insurance Funds.

The Department of Employment Security provides benefit payments under all state and federal employment programs. Net benefits paid decreased $256,522 from the previous year to $72,229,687.

Income to the Employment Security Fund, derived from employer contributions totaled $125,469,934 which was a decrease from the prior year of $666,857.

The Employment Security Benefit Fund includes programs that are funded by Federal, State and other agencies. The unexpended advances included in the Fund Balance are as follows:

| | |
|---|---|
| State Programs | $ 41,759 |
| Federal Programs | 433,172 |
| Municipal Programs | 22,945 |
| | $497,876 |

Net benefit payments from Temporary Disability Insurance Funds to eligible workers who are unable to work because of sickness or injury that is not work-connected, increased $5,992,816 to a total of $50,355,376.

Tax revenues increased by $1,287,691 to $40,848,087.

The balance of the combined Temporary Disability Funds decreased by $9,247,944 to $55,504,468.

Exhibit B-9

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

### COMBINING BALANCE SHEETS
### EMPLOYMENT INSURANCE SPECIAL REVENUE FUNDS

June 30, 1988

| | EMPLOYMENT SECURITY | | | | | R.I. TEMPORARY DISABLITY INSURANCE | | | Totals | |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | Administration | Trust | Benefit | Interest | Tardy | Administration | Reserve | Compensation | June 30, 1988 | June 30, 1987 |
| Cash | $ 218,835 | $ 318,555 | $ | $ 62,486 | $ 183,506 | $ 64,057 | $ 136,722 | $ 137,731 | $ 1,121,892 | $ 27,875 |
| Imprest Cash | 460 | | | | | | | | 460 | 460 |
| Funds in Trust | | 241,842,542 | | | | | | | 241,842,542 | 168,196,960 |
| Investments | | | | 550,000 | 600,000 | | 54,400,000 | | 55,550,000 | 64,910,000 |
| Amounts due from Federal and State Agencies | 922,167 | | | | | | | | 922,167 | 684,830 |
| Receivables: | | | | | | | | | | |
| Taxes | | 1,530,764 | | | | | 412,831 | | 1,943,595 | 2,182,865 |
| Accounts | | | 1,032,824 | | | | | 298,770 | 1,331,594 | 1,212,905 |
| Total Assets | $ 1,141,462 | $243,691,861 | $ 1,032,824 | $ 612,486 | $ 783,506 | $ 64,057 | $ 54,949,553 | $ 436,501 | $ 302,712,250 | $ 237,215,895 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Cash Overdraft | $ | $ | $ 8,692 | $ | $ | $ | $ | $ | $ 8,692 | $ |
| Vouchers and Accounts Payable | 517,110 | | | 27 | | 204,257 | | | 721,394 | 553,474 |
| Accrued Payroll and Fringe Benefits | 411,773 | | | | | 53,266 | | | 465,039 | 360,576 |
| Total Liabilities | $ 928,883 | $ | $ 8,692 | $ 27 | $ | $ 257,523 | $ | $ | $ 1,195,125 | $ 914,050 |
| Fund Balances: | | | | | | | | | | |
| Reserved for Encumbrances | $ 575,448 | $ | $ | $ | $ | $ 20,773 | $ | $ | $ 596,221 | $ 131,974 |
| Reserved for Imprest Cash Advance | 460 | | | | | | | | 460 | 460 |
| Reserved for Employment Insurance Programs | (363,329) | 243,691,861 | 1,024,132 | 612,459 | 783,506 | (214,239) | 54,949,553 | 436,501 | 300,920,444 | 236,169,411 |
| Total Fund Balances (Deficit) (Exhibit B-10) | $ 212,579 | $243,691,861 | $ 1,024,132 | $ 612,459 | $ 783,506 | $ (193,466) | $ 54,949,553 | $ 436,501 | $ 301,517,125 | $ 236,301,845 |
| Total Liabilities and Fund Balances | $ 1,141,462 | $243,691,861 | $ 1,032,824 | $ 612,486 | $ 783,506 | $ 64,057 | $ 54,949,553 | $ 436,501 | $ 302,712,250 | $ 237,215,895 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-10

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
## EMPLOYMENT INSURANCE SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 1988

| | EMPLOYMENT SECURITY | | | | | R.I.TEMPORARY DISABLITY INSURANCE | | | Totals Years Ended | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Administration | Trust | Benefit | Interest | Tardy | Administration | Reserve | Compensation | June 30, 1988 | June 30, 1987 |
| Revenues: | | | | | | | | | | |
| Taxes - Employers' and Employees' | $ | $125,810,885 | $ | $ | $ | $ | $ 40,536,207 | $ | $ 166,347,092 | $ 165,697,187 |
| Intergovernmental Revenue: | | | | | | | | | | |
| Federal | 16,160,842 | | 1,386,016 | | | | | | 17,546,858 | 15,340,065 |
| State | | 786,196 | | | | | | | 786,196 | 998,379 |
| Muncipal | | | 200,000 | | | | | | 200,000 | 155,000 |
| Income from Investments | | | | 36,990 | 13,252 | | 4,341,205 | | 4,391,447 | 4,571,101 |
| Interest Earnings-Funds in Trust | | 18,033,724 | | | | | | | 18,033,724 | 12,603,765 |
| Refunds and Miscellaneous Income | 211,371 | 14,029 | 24,322 | | | | 5,946 | 32,062 | 287,730 | 581,848 |
| Employer Contributions - Interest on Delinquent Payments | | | | 349,407 | | | | | 349,407 | 362,066 |
| Employer Contributions - Penalties on Delinquent Payments | | | | | 921,813 | | | | 921,813 | 843,219 |
| Total Revenues | $ 16,372,213 | $144,644,834 | $ 1,610,338 | $ 386,397 | $ 935,065 | $ 0 | $ 44,883,358 | $ 32,062 | $ 208,864,267 | $ 201,152,630 |
| Expenditures: | | | | | | | | | | |
| Economic Development - Employment Resources | $ 17,064,219 | $ | $ | $ 27 | $ | $ 4,119,868 | $ | $ | $ 21,184,114 | $ 18,915,419 |
| Individual and Family Development - Benefits Paid | | | 72,097,561 | | | | | 50,355,376 | 122,452,937 | 116,848,804 |
| Total Expenditures | $ 17,064,219 | $ | $ 72,097,561 | $ 27 | $ | $ 4,119,868 | $ | $ 50,355,376 | $ 143,637,051 | $ 135,764,223 |
| Excess of Revenues over (under) Expenditures | $ (692,006) | $144,644,834 | $(70,487,223) | $ 386,370 | $ 935,065 | $ (4,119,868) | $ 44,883,358 | $(50,323,314) | $ 65,227,216 | $ 65,388,407 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Interfund Transfers | $ 835,905 | $(70,800,000) | $ 70,788,064 | $(585,905) | $(250,000) | $ 4,117,680 | $(54,117,680) | $ 50,000,000 | $ (11,936) | $ 481,543 |
| Total Other Financing Sources (Uses) | $ 835,905 | $(70,800,000) | $ 70,788,064 | $(585,905) | $(250,000) | $ 4,117,680 | $(54,117,680) | $ 50,000,000 | $ (11,936) | $ 481,543 |
| Increase (Decrease) in Fund Balances | $ 143,899 | $ 73,844,834 | $ 300,841 | $(199,535) | $ 685,065 | $ (2,188) | $ (9,234,322) | $ (323,314) | $ 65,215,280 | $ 65,869,950 |
| Fund Balances (Deficit), July 1 | 68,680 | 169,847,027 | 723,291 | 811,994 | 98,441 | (191,278) | 64,183,875 | 759,815 | 236,301,845 | 170,431,895 |
| Fund Balances (Deficit), June 30 (Exhibit B-9) | $ 212,579 | $243,691,861 | $ 1,024,132 | $ 612,459 | $ 783,506 | $ (193,466) | $ 54,949,553 | $ 436,501 | $ 301,517,125 | $ 236,301,845 |

## SPECIAL REVENUE FUNDS

## OTHER

(Exhibits B-11, 12)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-11

## COMBINING BALANCE SHEETS
## OTHER SPECIAL REVENUE FUNDS

June 30, 1988

| ASSETS | Recreation Area Development | Dr. John E. Donley Rehabilitation Center | Public Utilities Funds | Second Injury Indemnity | Totals | |
|---|---|---|---|---|---|---|
| | | | | | June 30,1988 | June 30,1987* |
| Cash | $ 164,647 | $ 1,723,152 | $ 82,650 | $3,020,895 | $ 4,991,344 | $ 3,620,654 |
| Imprest Cash | | 3,000 | | | 3,000 | 1,500 |
| Investments at Cost | 3,850,000 | 9,193,000 | | 5,645,000 | 18,688,000 | 14,958,000 |
| Accounts Receivable | | | 140,519 | | 140,519 | 128,871 |
| Due from Federal Government | 62,071 | | | | 62,071 | 1,043,604 |
| Total Assets | $ 4,076,718 | $ 10,919,152 | $ 223,169 | $8,665,895 | $ 23,884,934 | $ 19,752,629 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Vouchers and Accounts Payable | $ 348,147 | $ 31,118 | $ 110,554 | $ 754,162 | $ 1,243,981 | $ 1,345,956 |
| Accrued Payroll and Fringe Benefits | | 20,125 | | 11,590 | 31,715 | 22,593 |
| Due to General Fund | | | 15,381 | | 15,381 | 15,381 |
| Due to Other Governments | 41,575 | | | | 41,575 | 41,409 |
| Deferred Revenue | | 2,314,131 | | 4,235,984 | 6,550,115 | 5,763,657 |
| Total Liabilities | $ 389,722 | $ 2,365,374 | $ 125,935 | $5,001,736 | $ 7,882,767 | $ 7,188,996 |
| Fund Balances: | | | | | | |
| Reserved for Encumbrances | $ 454,756 | $ 141,994 | $ 101,085 | $ 7,244 | $ 705,079 | $ 834,601 |
| Reserved for Imprest Cash Funds | | 3,000 | | | 3,000 | 1,500 |
| Designated for Incomplete Projects | 2,981,825 | | | | 2,981,825 | 1,759,844 |
| Undesignated | 250,415 | 8,408,784 | (3,851) | 3,656,915 | 12,312,263 | 9,967,688 |
| Total Fund Balances (Exhibit B-12) | $ 3,686,996 | $ 8,553,778 | $ 97,234 (1) | $3,664,159 | $ 16,002,167 | $ 12,563,633 |
| Total Liabilities and Fund Balances | $ 4,076,718 | $ 10,919,152 | $ 223,169 | $8,665,895 | $ 23,884,934 | $ 19,752,629 |

| | | |
|---|---|---|
| (1) Consists of: | Public Utilities Reserve Fund.................. | 97,234 |
| | Special Fund for Studies and Research........... | 0 |
| | Energy Facility Siting Fund..................... | 0 |
| | | 97,234 |

*Restated.

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-12

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## OTHER SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 1988

| | Recreation Area Development | Dr. John E. Donley Rehabilitation Center | Public Utilities Funds | Second Injury Indemnity | Totals | |
|---|---|---|---|---|---|---|
| | | | | | Year Ended | |
| | | | | | June 30,1988 | June 30,1987* |
| Revenues: | | | | | | |
| Licenses, Fees, Sales and Services | $ 1,628,475 | $ | $ 424,772 | $ | $ 2,053,247 | $ 1,695,311 |
| Federal Grants | 73,029 | | | | 73,029 | 1,112,389 |
| Employers' Contributions | | 2,132,854 | | 3,899,280 | 6,032,134 | 3,131,473 |
| Income from Investments | 269,830 | 688,682 | | 417,765 | 1,376,277 | 892,979 |
| Miscellaneous Income | 4 | 134 | | 28 | 166 | 22,507 |
| Total Revenues | $ 1,971,338 | $ 2,821,670 | $ 424,772 | $4,317,073 | $ 9,534,853 | $ 6,854,659 |
| Expenditures: | | | | | | |
| Economic Development | $ 1,385,073 | $ 1,189,892 | $ 437,875 | $3,083,479 | $ 6,096,319 | $ 7,068,895 |
| Total Expenditures | $ 1,385,073 | $ 1,189,892 | $ 437,875 | $3,083,479 | $ 6,096,319 | $ 7,068,895 |
| Excess (Deficiency) of Revenues over Expenditures | $ 586,265 | $ 1,631,778 | $ (13,103) | $1,233,594 | $ 3,438,534 | $ (214,236) |
| Other Financing Uses: | | | | | | |
| Transfer to General Fund | | | | | | (15,381) |
| Increase (Decrease) in Fund Balances | $ 586,265 | $ 1,631,778 | $ (13,103) | $1,233,594 | $ 3,438,534 | $ (229,617) |
| Fund Balances, July 1 | 3,100,731 | 6,922,000 | 110,337 | 2,430,565 | 12,563,633 | 12,793,250 |
| Fund Balances, June 30 (Exhibit B-11) | $ 3,686,996 | $ 8,553,778 | $ 97,234 | $3,664,159 | $ 16,002,167 | $ 12,563,633 |

*Restated.

# FINANCIAL SECTION

Exhibit/
Schedule

UNIVERSITY AND COLLEGE FUNDS:

Combining Balance Sheet - Governmental Fund Types.................................... C-1

Combining Balance Sheet - Fiduciary Fund Types........................................ C-2

Combining Balance Sheet - Account Group - General Long Term Debt..................... C-3

Combined Balance Sheet - All Fund Types and Account Groups -
University of Rhode Island.......................................................... C-4

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types - University of Rhode Island........................... C-5

Statement of Revenues, Expenditures, Encumbrances, and Other Financing Sources -
Budget and Actual - General Educational Fund - University of Rhode Island.......... C-6

Combined Balance Sheet - All Fund Types and Account Groups - Rhode Island College.... C-7

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types - Rhode Island College.................................. C-8

Statement of Revenues, Expenditures, Encumbrances and Other Financing Sources -
Budget and Actual - General Educational Fund - Rhode Island College................ C-9

Combined Balance Sheet - All Fund Types and Account Groups -
Community College of Rhode Island.................................................. C-10

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types - Community College of Rhode Island.................... C-11

Statement of Revenues, Expenditures, Encumbrances and Other Financing Sources -
Budget and Actual - General Educational Fund - Community College of Rhode Island... C-12

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-1

## UNIVERSITY AND COLLEGES
## COMBINING BALANCE SHEET - GOVERNMENTAL FUND TYPES

June 30, 1988

| | University of Rhode Island (C-4) | Rhode Island College (C-7) | Community College of Rhode Island (C-10) | Totals (Memorandum Only) | |
|---|---|---|---|---|---|
| | | | | June 30, 1988 | June 30, 1987 |
| ASSETS | | | | | |
| Cash (Including Funds on Deposit with State Treasurer) | $ 8,766,178 | $ 2,745,147 | $ 1,071,993 | $ 12,583,318 | $ 4,006,661 |
| Investments | 6,544,169 | 500,000 | 1,198,938 | 8,243,107 | 9,269,911 |
| Funds on Deposit with Trustee: | | | | | |
| For Retirement of General Long-Term Debt | 1,632,091 | 409,948 | 389,759 | 2,431,798 | 2,359,621 |
| For Renewals and Replacements | 1,148,629 | 653,742 | 133,883 | 1,936,254 | 2,476,135 |
| Receivables (net, where applicable of allowance for doubtful accounts of $950,018) | 3,946,137 | 911,831 | 566,622 | 5,424,590 | 6,174,932 |
| Accrued Interest Receivable | 13,023 | 7,906 | | 20,929 | 30,164 |
| Due from Other Funds | 711,055 | 204,289 | 31,233 | 946,577 | 4,978,772 |
| Loans and Notes Receivable (net of allowance for doubtful loans of $1,216,359) | 7,573,355 | 2,494,377 | | 10,067,732 | 9,832,868 |
| Unbilled Charges - Current | 4,004,104 | | | 4,004,104 | 3,761,914 |
| Other Assets | 83,783 | | | 83,783 | 24,759 |
| Inventory | 1,359,794 | 195,602 | 194,326 | 1,749,722 | 1,949,845 |
| Total Assets | $ 35,782,318 | $ 8,122,842 | $ 3,586,754 | $ 47,491,914 | $ 44,865,582 |
| LIABILITIES | | | | | |
| Cash Overdraft | $ 2,283,129 | $ 13,616 | $ | $ 2,296,745 | $ 2,582,745 |
| Accounts Payable and Accrued Expenses | 7,263,902 | 2,078,847 | 1,461,729 | 10,804,478 | 9,262,127 |
| Due to Other Funds | 753,877 | 235,587 | 36,519 | 1,025,983 | 5,008,189 |
| Deferred Revenue | 3,459,740 | 865,929 | 352,853 | 4,678,522 | 4,460,745 |
| Total Liabilities | $ 13,760,648 | $ 3,193,979 | $ 1,851,101 | $ 18,805,728 | $ 21,313,806 |
| FUND BALANCES | | | | | |
| Fund Balance (Deficit): | | | | | |
| Reserved for: | | | | | |
| Encumbrances | $ 5,855,195 | $ 497,094 | $ 242,804 | $ 6,595,093 | $ 2,940,640 |
| Academic College Overhead | 1,174,420 | | | 1,174,420 | 1,100,840 |
| Retirement of General Long-Term Debt | 1,737,243 | 409,948 | 389,759 | 2,536,950 | (1,596,613) |
| Renewals and Replacements | 1,220,686 | 653,742 | 133,883 | 2,008,311 | 2,520,284 |
| Sponsored Programs and Student Aid | 15,818 | (52,621) | 28,739 | (8,064) | (50,268) |
| Loan Fund | 7,700,829 | 2,776,117 | | 10,476,946 | 10,162,342 |
| Auxiliary Enterprises | 3,070,675 | 599,650 | | 3,670,325 | 4,223,980 |
| Restricted Grants, Gifts, and Aid | 1,246,804 | | | 1,246,804 | 1,229,653 |
| Trust Indenture | | | 940,468 | 940,468 | 880,238 |
| Landscaping Fund | | 44,933 | | 44,933 | 39,675 |
| Subsequent Year's Expenditures | | | | | 2,100,985 |
| Total Fund Balances | $ 22,021,670 | $ 4,928,863 | $ 1,735,653 | $ 28,686,186 | $ 23,551,776 |
| Total Liabilities and Fund Balances | $ 35,782,318 | $ 8,122,842 | $ 3,586,754 | $ 47,491,914 | $ 44,865,582 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-2

## UNIVERSITY AND COLLEGES
## COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES

June 30, 1988

| | University of Rhode Island (C-4) | Rhode Island College (C-7) | Community College of Rhode Island (C-10) | Totals (Memorandum Only) June 30, 1988 | Totals (Memorandum Only) June 30, 1987 |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash | $ 95,913 | $ 232,913 | $ 50,372 | $ 379,198 | $ 397,190 |
| Investments | 826 | 226,975 | | 227,801 | 176,192 |
| Receivables | 22,483 | 6,305 | | 28,788 | 14,392 |
| Due from Other Funds | 42,822 | 31,298 | 5,286 | 79,406 | 29,417 |
| Total Assets | $ 162,044 | $ 497,491 | $ 55,658 | $ 715,193 | $ 617,191 |
| LIABILITIES | | | | | |
| Accounts Payable and Accrued Expenses | $ 902 | $ | $ | $ 902 | $ 1,538 |
| Deposits Held in Custody for Others | 161,142 | 497,491 | 55,658 | 714,291 | 615,653 |
| Total Liabilities | $ 162,044 | $ 497,491 | $ 55,658 | $ 715,193 | $ 617,191 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-3

## UNIVERSITY AND COLLEGES
## COMBINING BALANCE SHEET
## ACCOUNT GROUP - GENERAL LONG-TERM DEBT

June 30, 1988

| | | | | Totals (Memorandum Only) | |
|---|---|---|---|---|---|
| ASSETS | University of Rhode Island (C-4) | Rhode Island College (C-7) | Community College of Rhode Island (C-10) | June 30, 1988 | June 30, 1987 |
| Amounts Available in Debt Service Fund | $ 1,672,038 | $ 409,948 | $ 389,759 | $ 2,471,745 | $ 2,400,427 |
| Amount to be Provided for Retirement of General Long-Term Debt | 5,030,962 | 2,185,052 | 3,018,171 | 10,234,185 | 7,468,895 |
| Total Assets | $ 6,703,000 | $ 2,595,000 | $ 3,407,930 | $ 12,705,930 | $ 9,869,322 |
| LIABILITIES | | | | | |
| Bonds Payable | $ 6,703,000 | $ 2,595,000 | $ 2,981,000 | $ 12,279,000 | $ 9,261,000 |
| Obligations under Capital Leases | | | 426,930 | 426,930 | 608,322 |
| Total Liabilities | $ 6,703,000 | $ 2,595,000 | $ 3,407,930 | $ 12,705,930 | $ 9,869,322 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-4

# UNIVERSITY OF RHODE ISLAND
# COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1988

| | Governmental Fund Types | | | | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) | |
|---|---|---|---|---|---|---|---|---|---|
| | General Educational | Special Revenue | Debt Service | Capital Projects | Agency | General Fixed Assets (Unaudited) | General Long-Term Debt | 1988 | 1987 |
| ASSETS | | | | | | | | | |
| Cash (Including Funds on Deposit with State Treasurer) | $ 8,733,897 | $ | $ 32,281 | $ | $ 95,913 | $ | $ | $ 8,862,091 | $ 989,832 |
| Investments, at Cost | 3,522,989 | 3,021,180 | | | 826 | | | 6,544,995 | 7,670,737 |
| Fund on Deposit with Trustee: | | | | | | | | | |
| For Retirement of General Long-Term Debt | | | 1,632,091 | | | | | 1,632,091 | 1,562,854 |
| For Renewals and Replacements | | 1,148,629 | | | | | | 1,148,629 | 1,550,950 |
| Receivables (net, where applicable, of allowance for doubtful accounts of $500,286) | 840,848 | 2,960,026 | | 145,263 | 17,061 | | | 3,963,198 | 4,346,441 |
| Accrued Interest Receivable | | 5,357 | 7,666 | | | | | 13,023 | 22,464 |
| Loans and Notes Receivable (net of allowance for doubtful loans of $815,266) | | 7,573,355 | | | 5,422 | | | 7,578,777 | 7,469,783 |
| Unbilled Charges - Current | | 4,004,106 | | | | | | 4,004,106 | 3,761,916 |
| Inventory | 349,364 | 1,010,430 | | | | | | 1,359,794 | 1,492,116 |
| Due from Other Funds | 711,055 | | | | 42,822 | | | 753,877 | 4,700,156 |
| Other Assets | 16,000 | 2,578 | 65,205 | | | | | 83,783 | 24,759 |
| Land and Improvements | | | | | | 7,986,441 | | 7,986,441 | 7,982,121 |
| Buildings | | | | | | 148,916,247 | | 148,916,247 | 148,717,790 |
| Equipment | | | | | | 24,318,834 | | 24,318,834 | 21,850,694 |
| Amounts Available in Debt Service Fund | | | | | | | 1,672,038 | 1,672,038 | 1,603,660 |
| Amount to be Provided for Retirement of General Long-Term Debt | | | | | | | 5,030,962 | 5,030,962 | 1,882,340 |
| Total Assets | $ 14,174,153 | $ 19,725,659 | $ 1,737,243 | $145,263 | $162,044 | $181,221,522 | $ 6,703,000 | $223,868,884 | $215,628,611 |
| LIABILITIES | | | | | | | | | |
| Cash Overdraft | $ | $ 2,283,129 | $ | $ | $ | $ | $ | $ 2,283,129 | $ 2,582,765 |
| Accounts Payable and Accrued Expenses | 5,083,303 | 2,180,599 | | | 902 | | | 7,264,804 | 6,246,085 |
| Due to Other Funds | | 608,614 | | 145,263 | | | | 753,877 | 4,700,156 |
| Deposits Held in Custody for Others | | | | | 161,142 | | | 161,142 | 151,765 |
| Deferred Revenue | 2,061,235 | 1,398,505 | | | | | | 3,459,740 | 3,261,931 |
| Bonds Payable | | | | | | | 6,703,000 | 6,703,000 | 3,486,000 |
| Total Liabilities | $ 7,144,538 | $ 6,470,847 | $ | $145,263 | $162,044 | $ | $ 6,703,000 | $ 20,625,692 | $ 20,428,662 |
| FUND EQUITY | | | | | | | | | |
| Investment in General Fixed Assets | $ | $ | $ | $ | $ | $181,221,522 | $ | $181,221,522 | $178,550,605 |
| Fund Balances (Deficit): | | | | | | | | | |
| Reserved for: | | | | | | | | | |
| Academic College Overhead | $ 1,174,420 | $ | $ | $ | $ | $ | $ | $ 1,174,420 | $ 1,100,840 |
| Retirement of General Long-Term Debt | | | 1,737,243 | | | | | 1,737,243 | (2,393,380) |
| Renewals and Replacements | | 1,220,686 | | | | | | 1,220,686 | 1,595,099 |
| Auxiliary Enterprises | | 3,070,675 | | | | | | 3,070,675 | 3,330,199 |
| Restricted Grants, Gifts, and Aid | | 1,246,804 | | | | | | 1,246,804 | 1,229,653 |
| Sponsored Programs | | 15,818 | | | | | | 15,818 | (70,602) |
| Loan Fund | | 7,700,829 | | | | | | 7,700,829 | 7,585,663 |
| Encumbrances | 5,855,195 | | | | | | | 5,855,195 | 2,221,765 |
| Subsequent Year's Expenditures | | | | | | | | | 2,050,107 |
| Total Fund Balances | $ 7,029,615 | $ 13,254,812 | $ 1,737,243 | $ | $ | $ | $ | $ 22,021,670 | $ 16,649,344 |
| Total Fund Equity | $ 7,029,615 | $ 13,254,812 | $ 1,737,243 | $ | $ | $181,221,522 | $ | $203,243,192 | $195,199,949 |
| Total Liabilities and Fund Equity | $ 14,174,153 | $ 19,725,659 | $ 1,737,243 | $145,263 | $162,044 | $181,221,522 | $ 6,703,000 | $223,868,884 | $215,628,611 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-5

## UNIVERSITY OF RHODE ISLAND
## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 1988

|  | Governmental Fund Types |  |  | Totals (Memorandum Only) |  |
|---|---|---|---|---|---|
|  | General Educational | Special Revenue | Debt Service | 1988 | 1987 |
| Revenues: |  |  |  |  |  |
| State Appropriations | $ 64,536,729 | $ | $ | $ 64,536,729 | $ 60,869,095 |
| Student Tuition and Fees | 36,342,184 |  |  | 36,342,184 | 31,494,326 |
| Grants, Gifts, and Student Aid: |  |  |  |  |  |
| Federal | 4,802,417 | 24,493,250 | 40,994 | 29,336,661 | 26,663,540 |
| State | 98,479 | 1,880,067 |  | 1,978,546 | 1,778,584 |
| Private |  | 3,332,374 |  | 3,332,374 | 2,823,723 |
| Auxiliary Enterprises |  | 24,509,421 |  | 24,509,421 | 22,867,737 |
| Other Sources, including Interest Income | 5,924,625 | 755,134 | 118,738 | 6,798,497 | 5,868,207 |
| Total Revenues | $ 111,704,434 | $ 54,970,246 | $ 159,732 | $ 166,834,412 | $ 152,365,212 |
| Expenditures: |  |  |  |  |  |
| Personnel Services | $ 80,292,779 | $ 13,301,348 | $ | $ 93,594,127 | $ 84,175,120 |
| Operating: |  |  |  |  |  |
| Cost of Sales |  | 5,199,126 |  | 5,199,126 | 4,958,484 |
| Out of State Travel | 577,751 | 189,941 |  | 767,692 | 546,399 |
| Repairs | 1,899,972 | 558,004 |  | 2,457,976 | 2,688,203 |
| Utilities | 3,204,219 | 1,308,171 |  | 4,512,390 | 4,191,743 |
| Other | 10,534,397 | 5,307,706 | 60,052 | 15,902,155 | 14,296,722 |
| Sponsored Programs |  | 23,704,652 |  | 23,704,652 | 21,202,474 |
| Student Aid | 5,386,256 | 3,534,845 |  | 8,921,101 | 8,177,243 |
| Capital | 5,404,558 | 1,092,652 |  | 6,497,210 | 5,396,194 |
| Debt Service: |  |  |  |  |  |
| University Obligations |  |  | 1,078,058 | 1,078,058 | 7,883,313 |
| State Obligations | 2,397,599 |  |  | 2,397,599 | 2,552,896 |
| Total Expenditures | $ 109,697,531 | $ 54,196,445 | $ 1,138,110 | $ 165,032,086 | $ 156,068,791 |
| Excess (Deficiency) of Revenues over Expenditures | $ 2,006,903 | $ 773,801 | $ (978,378) | $ 1,802,326 | $ (3,703,579) |
| Gain on Early Extinguishment of Long-Term Debt | $ | $ | $ | $ | $ 2,734,960 |
| Other Financing Sources (Uses): |  |  |  |  |  |
| Operating Transfers In | $ | $ 607,986 | $ 1,189,001 | $ 1,796,987 | $ 1,428,112 |
| Operating Transfers Out: |  |  |  |  |  |
| Mandatory |  | (1,318,494) |  | (1,318,494) | (1,330,322) |
| Nonmandatory |  | (478,493) |  | (478,493) | (97,790) |
| Board of Governors for Higher Education | (350,000) |  |  | (350,000) |  |
| Proceeds from Rhode Island Health and Educational Building Corporation Taxable Revenue Bonds |  |  | 3,920,000 | 3,920,000 |  |
| Total Other Financing Sources (Uses) | $ (350,000) | $ (1,189,001) | $ 5,109,0[illegible] | $ 3,570,000 | $ |
| Excess (Deficiency) of Revenues, Gain and Other Financing Sources over Expenditures and Other Financing Uses | $ 1,656,903 | $ (415,200) | $ 4,130,623 | $ 5,372,326 | $ (968,619) |
| Fund Balances, July 1 | 5,372,712 | 13,670,012 | (2,393,380) | 16,649,344 | 17,617,963 |
| Fund Balances, June 30 (Exhibit C-4) | $ 7,029,615 | $ 13,254,812 | $ 1,737,243 | $ 22,021,670 | $ 16,649,344 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-6

## UNIVERSITY OF RHODE ISLAND
## STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL EDUCATIONAL FUND

Year Ended June 30, 1988

| | Budget | | | Variance | |
|---|---|---|---|---|---|
| | Executive/ Legislative as Enacted | Board of Governors for Higher Education Final Allocation | Actual | Executive/ Legislative Favorable** (Unfavorable) | Board of Governors Favorable** (Unfavorable) |
| Revenues: | | | | | |
| State Appropriations | $ 63,000,210 | $ 64,555,227 | $ 64,536,729 | $ 1,536,519 | $ (18,498) |
| Student Tuition and Fees | 32,282,632 | 36,256,589 | 36,342,184 | 4,059,552 | 85,595 |
| Indirect Costs Recovered: | | | | | |
| Grants and Contracts | 3,800,000 | 5,100,840 | 4,900,896 | 1,100,896 | (199,944) |
| Auxiliary Enterprises | 1,304,296 | 1,304,296 | 1,304,296 | | |
| Other Sources | 3,873,311 | 4,241,611 | 4,620,329 | 747,018 | 378,718 |
| Total Revenues | $104,260,449 | $ 111,458,563 | $ 111,704,434 | $ 7,443,985 | $ 245,871 |
| Expenditures and Encumbrances: | | | | | |
| Personnel Services | $ 73,705,140 | $ 77,732,232 | $ 77,631,159 * | $ (3,926,019) | $ 101,073 |
| Operating: | | | | | |
| Out of State Travel | $ 337,018 | $ 410,956 | $ 423,273 * | $ (86,255) | $ (12,317) |
| Repairs | 1,289,202 | 1,193,191 | 1,466,557 * | (177,355) | (273,366) |
| Utilities | 2,919,756 | 3,133,679 | 3,192,244 * | (272,488) | (58,565) |
| Other | 10,852,493 | 11,719,069 | 11,852,299 * | (999,806) | (133,230) |
| Total Operating | $ 15,398,469 | $ 16,456,895 | $ 16,934,373 | $ (1,535,904) | $ (477,478) |
| Student Aid | 5,254,503 | 5,287,029 | 5,412,238 * | (157,735) | (125,209) |
| Asset Protection | 2,797,332 | 3,495,200 | 3,373,695 * | (576,363) | 121,505 |
| Capital | 2,788,908 | 2,620,270 | 5,068,330 * | (2,279,422) | (2,448,060) |
| Debt Service | 2,416,097 | 2,416,097 | 2,397,599 | 18,498 | 18,498 |
| Academic College Overhead | 1,900,000 | 3,100,840 | 2,286,798 | (386,798) | 814,042 |
| Total Expenditures and Encumbrances | $104,260,449 | $ 111,108,563 | $ 113,104,192 | $ (8,843,743) | $ (1,995,629) |
| Excess (Deficiency) of Revenues over Expenditures and Encumbrances | $ | $ 350,000 | $ (1,399,758) | $ (1,399,758) | $ (1,749,758) |
| Other Financing Sources (Uses): | | | | | |
| 1987 Academic College Overhead Carryforward | | | 1,100,840 | 1,100,840 | 1,100,840 |
| 1987 Subsequent Year's Expenditures | | | 1,823,338 | 1,823,338 | 1,823,338 |
| 1988 Board of Governors for Higher Education - Transfer out | | (350,000) | (350,000) | (350,000) | |
| Allocation to: | | | | | |
| Academic College Overhead | | | (1,174,420) | (1,174,420) | (1,174,420) |
| Excess of Revenues and Other Financing Sources over Expenditures and Encumbrances | $ | $ | $ | $ | $ |

*Includes year end encumbrances.

**A favorable variance indicates that actual revenues are greater than budget or actual expenditures and encumbrances are less than budget. Unfavorable variance indicates that actual revenues are less than budget or actual expenditures and encumbrances are greater than budget.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-7

## RHODE ISLAND COLLEGE
## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1988

| | Governmental Fund Types | | | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) | |
|---|---|---|---|---|---|---|---|---|
| | General Educational | Special Revenue | Debt Service | Agency | General Fixed Assets (Unaudited) | General Long-term Debt | 1988 | 1987 |
| ASSETS | | | | | | | | |
| Cash (Including Funds on Deposit with State Treasurer) | $ 2,745,147 | $ | $ | $ 232,913 | $ | $ | $ 2,978,060 | $ 2,162,734 |
| Short-Term Investments, at Cost which Approximates Market | | 500,000 | | 226,975 | | | 726,975 | 675,366 |
| Funds on Deposit with Trustee: | | | | | | | | |
| For Retirement of General Long-Term Debt | | | 409,948 | | | | 409,948 | 434,038 |
| For Renewals and Replacements | | 653,742 | | | | | 653,742 | 710,920 |
| Receivables (net, where applicable, of allowance for doubtful accounts of $430,820) | 347,936 | 563,895 | | 6,305 | | | 918,136 | 1,430,162 |
| Accrued Interest Receivable | | 7,906 | | | | | 7,906 | 7,700 |
| Due from Other Funds | | 204,289 | | 31,298 | | | 235,587 | 221,097 |
| Loans and Notes Receivable (net of allowance for doubtful loans of $401,093) | | 2,494,377 | | | | | 2,494,377 | 2,368,152 |
| Inventory | | 195,602 | | | | | 195,602 | 240,464 |
| Land | | | | | 2,341,329 | | 2,341,329 | 2,341,329 |
| Buildings | | | | | 26,611,312 | | 26,611,312 | 26,611,312 |
| Equipment | | | | | 17,261,247 | | 17,261,247 | 15,783,221 |
| Amounts Available in Debt Service Fund | | | | | | 409,948 | 409,948 | 434,038 |
| Amount to be Provided for Retirement of General Long-Term Debt | | | | | | 2,185,052 | 2,185,052 | 2,284,962 |
| Total Assets | $ 3,093,083 | $ 4,619,811 | $ 409,948 | $ 497,491 | $ 46,213,888 | $ 2,595,000 | $ 57,429,221 | $ 55,705,495 |
| LIABILITIES | | | | | | | | |
| Cash Overdraft | $ | $ 13,616 | $ | $ | $ | $ | $ 13,616 | $ |
| Accounts Payable and Accrued Expenses | 1,818,045 | 260,802 | | | | | 2,078,847 | 1,806,293 |
| Due to Other Funds | 235,587 | | | | | | 235,587 | 221,097 |
| Deposits Held in Custody for Others | | | | 497,491 | | | 497,491 | 414,395 |
| Deferred Revenue | 542,357 | 323,572 | | | | | 865,929 | 823,135 |
| Bonds Payable | | | | | | 2,595,000 | 2,595,000 | 2,719,000 |
| Total Liabilities | $ 2,595,989 | $ 597,990 | $ | $ 497,491 | $ | $ 2,595,000 | $ 6,286,470 | $ 5,983,920 |
| FUND EQUITY | | | | | | | | |
| Investment in General Fixed Assets | $ | $ | $ | $ | $ 46,213,888 | $ | $ 46,213,888 | $ 44,735,862 |
| Fund Balances (Deficit): | | | | | | | | |
| Reserved for: | | | | | | | | |
| Encumbrances | $ 497,094 | $ | $ | $ | $ | $ | $ 497,094 | $ 344,662 |
| Retirement of General Long-Term Debt | | | 409,948 | | | | 409,948 | 434,038 |
| Renewals and Replacements | | 653,742 | | | | | 653,742 | 710,920 |
| Sponsored Programs and Student Aid | | (52,621) | | | | | (52,621) | (14,042) |
| Loan Fund: | | | | | | | | |
| Federal Government Grants - Refundable | | 2,456,258 | | | | | 2,456,258 | 2,278,473 |
| College Funds - Restricted | | 319,859 | | | | | 319,859 | 298,206 |
| Auxiliary Enterprises | | 599,650 | | | | | 599,650 | 893,781 |
| Landscaping Fund | | 44,933 | | | | | 44,933 | 39,675 |
| Total Fund Balances | $ 497,094 | $ 4,021,821 | $ 409,948 | $ | $ | $ | $ 4,928,863 | $ 4,985,713 |
| Total Fund Equity | $ 497,094 | $ 4,021,821 | $ 409,948 | $ | $ 46,213,888 | $ | $ 51,142,751 | $ 49,721,575 |
| Total Liabilities and Fund Equity | $ 3,093,083 | $ 4,619,811 | $ 409,948 | $ 497,491 | $ 46,213,888 | $ 2,595,000 | $ 57,429,221 | $ 55,705,495 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-8

## RHODE ISLAND COLLEGE
## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 1988

| | Governmental Fund Types | | | Totals (Memorandum Only) | |
|---|---|---|---|---|---|
| | General Educational | Special Revenue | Debt Service | 1988 | 1987 |
| **Revenues:** | | | | | |
| State Appropriations | $ 28,779,171 | $ | $ | $ 28,779,171 | $ 26,966,512 |
| Student Tuition and Fees | 10,111,998 | | | 10,111,998 | 9,451,264 |
| Federal Appropriations | | | 23,310 | 23,310 | 23,310 |
| Grants, Student Aid and Indirect Cost Recovered: | | | | | |
| Federal | 55,828 | 3,539,341 | | 3,595,169 | 4,399,955 |
| State | 365,207 | 1,011,233 | | 1,376,440 | 1,319,924 |
| Educational Activities | 742,471 | | | 742,471 | 656,988 |
| Auxiliary Enterprises | | 4,616,958 | | 4,616,958 | 4,329,006 |
| Other Sources, Including Interest Income | 412,890 | 236,134 | 28,331 | 677,355 | 552,389 |
| Total Revenues | $ 40,467,565 | $ 9,403,666 | $ 51,641 | $ 49,922,872 | $ 47,699,348 |
| **Expenditures:** | | | | | |
| Personnel Services | $ 31,569,304 | $ 3,550,629 | $ | $ 35,119,933 | $ 32,477,282 |
| Operating: | | | | | |
| Cost of Sales | | 1,402,903 | | 1,402,903 | 1,380,875 |
| Out of State Travel | 83,499 | 32,895 | | 116,394 | 102,128 |
| Repairs | 1,420,181 | 479,946 | | 1,900,127 | 2,184,402 |
| Utilities | 845,938 | 200,361 | | 1,046,299 | 1,003,202 |
| Other | 2,991,949 | 1,093,141 | | 4,085,090 | 4,040,845 |
| Student Aid | 1,661,390 | 2,441,983 | | 4,103,373 | 4,375,474 |
| Capital | 1,188,487 | 240,638 | | 1,429,125 | 1,244,159 |
| Debt Service: | | | | | |
| College Obligations | | | 234,518 | 234,518 | 235,975 |
| State Obligations | 769,460 | | | 769,460 | 827,445 |
| Total Expenditures | $ 40,530,208 | $ 9,442,496 | $ 234,518 | $ 50,207,222 | $ 47,871,787 |
| **Excess (Deficiency) of Revenues over Expenditures** | $ (62,643) | $ (38,830) | $ (182,877) | $ (284,350) | $ (172,439) |
| **Other Financing Sources (Uses):** | | | | | |
| Operating Transfers In | | | | | |
| Mandatory | $ | $ 24,425 | $ 158,787 | $ 183,212 | $ 198,981 |
| Non-Mandatory | | 70,000 | | 70,000 | |
| 1988 Board of Governors for Higher Education | 227,500 | | | 227,500 | |
| Operating Transfers Out | | | | | |
| Mandatory | (12,425) | (170,787) | | (183,212) | (198,981) |
| Non-Mandatory | | (70,000) | | (70,000) | |
| Total Other Financing Sources (Uses) | $ 215,075 | $ (146,362) | $ 158,787 | $ 227,500 | $ |
| **Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses** | $ 152,432 | $ (185,192) | $ (24,090) | $ (56,850) | $ (172,439) |
| **Fund Balances, July 1** | 344,662 | 4,207,013 | 434,038 | 4,985,713 | 5,158,152 |
| **Fund Balances, June 30 (Exhibit C-7)** | $ 497,094 | $ 4,021,821 | $ 409,948 | $ 4,928,863 | $ 4,985,713 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-9

## RHODE ISLAND COLLEGE
## STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL EDUCATIONAL FUND

For the Fiscal Year Ended June 30, 1988

| | Budget | | | Variance | |
|---|---|---|---|---|---|
| | Executive/ Legislative as Enacted | Board of Governors for Higher Education - Final Allocation | Actual | Executive/ Legislative Favorable** (Unfavorable) | Board of Governors Favorable** (Unfavorable) |
| **Revenues:** | | | | | |
| **State Appropriations** | $ 28,468,047 | $ 28,797,658 | $ 28,779,171 | $ 311,124 | $ (18,487) |
| **Student Tuition and Fees** | 9,655,350 | 9,934,000 | 10,111,998 | 456,648 | 177,998 |
| **Indirect Cost Recovered:** | | | | | |
| **Grants and Contracts** | 125,000 | 113,000 | 110,091 | (14,909) | (2,909) |
| **Auxiliaries** | 310,944 | 310,944 | 310,944 | | |
| **Sales and Services, Educational Activities** | 1,028,500 | 820,000 | 916,169 | (112,331) | 96,169 |
| **Investment Income** | 200,000 | 185,000 | 239,192 | 39,192 | 54,192 |
| **Total Revenues** | $ 39,787,841 | $ 40,160,602 | $ 40,467,565 | $ 679,724 | $ 306,963 |
| **Expenditures and Encumbrances:** | | | | | |
| **Personnel Services** | $ 30,785,236 | $ 31,653,144 | $ 31,391,613 * | $ (606,377) | $ 261,531 |
| **Operating:** | | | | | |
| **Out of State Travel** | $ 70,264 | $ 80,000 | $ 83,499 * | $ (13,235) | $ (3,499) |
| **Repairs** | 292,000 | 261,368 | 490,527 * | (198,527) | (229,159) |
| **Utilities** | 922,031 | 927,600 | 853,210 * | 68,821 | 74,390 |
| **Workers' Compensation** | 107,375 | 167,375 | 172,156 * | (64,781) | (4,781) |
| **Other** | 2,931,575 | 2,700,589 | 3,076,036 * | (144,461) | (375,447) |
| **Total Operating** | $ 4,323,245 | $ 4,136,932 | $ 4,675,428 | $ (352,183) | $ (538,496) |
| **Student Aid** | $ 1,576,000 | $ 1,696,500 | $ 1,673,815 | $ (97,815) | $ 22,685 |
| **Asset Protection** | 1,063,500 | 1,041,665 | 1,044,258 | 19,242 | (2,593) |
| **Capital** | 1,221,913 | 1,051,913 | 1,123,533 | 98,380 | (71,620) |
| **Debt Service - State Obligations** | 787,947 | 787,948 | 769,460 | 18,487 | 18,488 |
| **Academic College Overhead** | 30,000 | 20,000 | 20,734 | 9,266 | (734) |
| **Total Expenditures and Encumbrances** | $ 39,787,841 | $ 40,388,102 | $ 40,698,841 | $ (911,000) | $ (310,739) |
| **Excess (Deficiency) of Revenues over Expenditures and Encumbrances** | $ | $ (227,500) | $ (231,276) | $ (231,276) | $ (3,776) |
| **Other Financing Sources:** | | | | | |
| **Board of Governors for Higher Education - Transfer in** | | 227,500 | 227,500 | 227,500 | |
| **Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Encumbrances** | $ | $ | $ (3,776) | $ (3,776) | $ (3,776) |

*Includes year end encumbrances.

**A favorable variance indicates that actual revenues are greater than budget or actual expenditures and encumbrances are less than budget. An unfavorable variance indicates that actual revenues are less than budget or actual expenditures and encumbrances are greater than budget.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-10

## COMMUNITY COLLEGE OF RHODE ISLAND
## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1988

| | Governmental Fund Types | | | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) | |
|---|---|---|---|---|---|---|---|---|
| | General Educational | Special Revenue | Debt Service | Agency | General Fixed Assets (Unaudited) | General Long-term Debt | 1988 | 1987 |
| ASSETS | | | | | | | | |
| Cash (Including Funds on Deposit with State Treasurer) | $ 977,222 | $ 94,771 | $ | $ 50,372 | $ | $ | $ 1,122,365 | $ 1,251,285 |
| Short-Term Investments, at Cost which Approximates Market | 524,106 | 674,832 | | | | | 1,198,938 | 1,100,000 |
| Funds on Deposit with Trustee: | | | | | | | | |
| For Retirement of General Long-Term Debt | | | 389,759 | | | | 389,759 | 362,729 |
| For Renewals and Replacements | | 133,883 | | | | | 133,883 | 214,265 |
| Receivables (net, where applicable, of allowance for doubtful accounts of $18,912) | 297,556 | 269,066 | | | | | 566,622 | 407,654 |
| Inventory | | 194,326 | | | | | 194,326 | 217,265 |
| Due from Other Funds | | 31,233 | | 5,286 | | | 36,519 | 86,936 |
| Land | | | | | 428,283 | | 428,283 | 428,283 |
| Buildings | | | | | 36,028,425 | | 36,028,425 | 35,817,594 |
| Equipment | | | | | 10,588,706 | | 10,588,706 | 9,920,506 |
| Library Books | | | | | 2,619,499 | | 2,619,499 | 2,486,363 |
| Amounts Available in Debt Service Fund | | | | | | 389,759 | 389,759 | 362,729 |
| Amount to be Provided for Retirement of General Long-Term Debt | | | | | | 3,018,171 | 3,018,171 | 3,301,593 |
| Total Assets | $ 1,798,884 | $ 1,398,111 | $ 389,759 | $ 55,658 | $ 49,664,913 | $ 3,407,930 | $ 56,715,255 | $ 55,957,202 |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenses | $ 1,246,944 | $ 214,785 | $ | $ | $ | $ | $ 1,461,729 | $ 1,211,287 |
| Due to Other Funds | 36,519 | | | | | | 36,519 | 86,936 |
| Deposits Held in Custody for Others | | | | 55,658 | | | 55,658 | 49,513 |
| Deferred Revenue | 272,617 | 80,236 | | | | | 352,853 | 375,679 |
| Bonds Payable | | | | | | 2,981,000 | 2,981,000 | 3,056,000 |
| Obligations under Capital Leases | | | | | | 426,930 | 426,930 | 608,322 |
| Total Liabilities | $ 1,556,080 | $ 295,021 | $ | $ 55,658 | $ | $ 3,407,930 | $ 5,314,689 | $ 5,387,737 |
| FUND EQUITY | | | | | | | | |
| Investment in General Fixed Assets | $ | $ | $ | $ | $ 49,664,913 | $ | $ 49,664,913 | $ 48,652,746 |
| Fund Balances: | | | | | | | | |
| Reserved for: | | | | | | | | |
| Trust Indenture | $ | $ 940,468 | $ | $ | $ | $ | $ 940,468 | $ 880,258 |
| Retirement of General Long-Term Debt | | | 389,759 | | | | 389,759 | 362,729 |
| Renewals and Replacements | | 133,883 | | | | | 133,883 | 214,265 |
| Encumbrances | 242,804 | | | | | | 242,804 | 374,213 |
| Subsequent Year's Expenditures | | | | | | | | 50,878 |
| Sponsored Programs | | 28,739 | | | | | 28,739 | 34,376 |
| Total Fund Balances | $ 242,804 | $ 1,103,090 | $ 389,759 | $ | $ | $ | $ 1,735,653 | $ 1,916,719 |
| Total Fund Equity | $ 242,804 | $ 1,103,090 | $ 389,759 | $ | $ 49,664,913 | $ | $ 51,400,566 | $ 50,569,465 |
| Total Liabilities and Fund Equity | $ 1,798,884 | $ 1,398,111 | $ 389,759 | $ 55,658 | $ 49,664,913 | $ 3,407,930 | $ 56,715,255 | $ 55,957,202 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-11

## COMMUNITY COLLEGE OF RHODE ISLAND
## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 1988

| | Governmental Fund Types | | | Totals (Memorandum Only) | |
|---|---|---|---|---|---|
| | General Educational | Special Revenue | Debt Service | 1988 | 1987 |
| Revenues: | | | | | |
| State Appropriations | $ 24,843,798 | $ | $ | $ 24,843,798 | $ 23,057,220 |
| Student Tuition and Fees | 7,703,463 | | | 7,703,463 | 7,133,245 |
| Grants and Student Aid: | | | | | |
| Federal | 59,503 | 2,302,520 | | 2,362,023 | 2,198,037 |
| State | 65,678 | 911,830 | | 977,508 | 802,020 |
| Private | 14,208 | 141,675 | | 155,883 | 88,353 |
| Auxiliary Enterprise | | 2,374,214 | | 2,374,214 | 2,139,568 |
| Investment Income | 146,658 | 68,921 | 27,030 | 242,609 | 230,968 |
| Other Sources | 835,868 | | | 835,868 | 759,627 |
| Total Revenues | $ 33,669,176 | $ 5,799,160 | $ 27,030 | $ 39,495,366 | $ 36,409,038 |
| Expenditures: | | | | | |
| Personnel Services | $ 26,156,719 | $ 361,406 | $ | $ 26,518,125 | $ 23,388,225 |
| Operating: | | | | | |
| Cost of Sales | | 1,695,378 | | 1,695,378 | 1,484,329 |
| Out of State Travel | 48,585 | | | 48,585 | 39,437 |
| Repairs | 684,963 | | | 684,963 | 602,502 |
| Utilities | 1,228,023 | 25,328 | | 1,253,351 | 1,208,737 |
| Other | 2,887,140 | 105,487 | | 2,992,627 | 2,901,037 |
| Sponsored Programs | | 1,501,645 | | 1,501,645 | 1,289,213 |
| Student Aid | 576,453 | 1,860,017 | | 2,436,470 | 2,316,385 |
| Capital | 808,081 | 99,967 | | 908,048 | 1,156,797 |
| Debt Service: | | | | | |
| College Obligations | | | 175,741 | 175,741 | 179,179 |
| State Obligations | 1,583,999 | | | 1,583,999 | 1,677,459 |
| Total Expenditures | $ 33,973,963 | $ 5,649,228 | $ 175,741 | $ 39,798,932 | $ 36,243,300 |
| Excess (Deficiency) of Revenues over Expenditures | $ (304,787) | $ 149,932 | $ (148,711) | $ (303,566) | $ 165,738 |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers In: | | | | | |
| Mandatory | $ | $ | $ 175,741 | $ 175,741 | $ 469,179 |
| Board of Governors for Higher Education | 122,500 | | | 122,500 | |
| Operating Transfers Out: | | | | | |
| Mandatory | | (175,741) | | (175,741) | (179,179) |
| Nonmandatory | | | | | (290,000) |
| Total Other Financing Sources (Uses) | $ 122,500 | $ (175,741) | $ 175,741 | $ 122,500 | $ |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses | $ (182,287) | $ (25,809) | $ 27,030 | $ (181,066) | $ 165,738 |
| Fund Balances, July 1 | 425,091 | 1,128,899 | 362,729 | 1,916,719 | 1,750,981 |
| Fund Balances, June 30 (Exhibit C-10) | $ 242,804 | $ 1,103,090 | $ 389,759 | $ 1,735,653 | $ 1,916,719 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-12

COMMUNITY COLLEGE OF RHODE ISLAND

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING SOURCES -

BUDGET AND ACTUAL - GENERAL EDUCATIONAL FUND

For the Fiscal Year Ended June 30, 1988

| | Budget | | | Variance | |
|---|---|---|---|---|---|
| | Executive/ Legislative as Enacted | Board of Governors for Higher Education - Final Allocation | Actual | Executive/ Legislative Favorable** (Unfavorable) | Board of Governors Favorable** (Unfavorable) |
| Revenues: | | | | | |
| State Appropriations | $ 24,031,833 | $ 24,863,825 | $ 24,843,798 | $ 811,965 | $ (20,027) |
| Student Tuition and Fees | 7,006,473 | 7,595,294 | 7,703,463 | 696,990 | 108,169 |
| Indirect Costs Recovered: | | | | | |
| Grants and Contracts | 57,000 | 127,900 | 139,389 | 82,389 | 11,489 |
| Auxiliary Enterprises | 65,661 | 65,661 | 65,661 | | |
| Other Sources | 725,500 | 893,122 | 916,865 | 191,365 | 23,743 |
| Total Revenues | $ 31,886,467 | $ 33,545,802 | $ 33,669,176 | $ 1,782,709 | $ 123,374 |
| Expenditures and Encumbrances: | | | | | |
| Personnel Services | $ 24,301,799 | $ 25,756,196 | $ 26,025,939 * | $ (1,724,140) | $ (269,743) |
| Operating: | | | | | |
| Out of State Travel | $ 40,303 | $ 40,303 | $ 48,585 | $ (8,282) | $ (8,282) |
| Repairs | 478,925 | 268,673 | 341,839 * | 137,086 | (73,166) |
| Utilities | 1,289,405 | 1,296,405 | 1,228,023 | 61,382 | 68,382 |
| Other | 2,356,868 | 2,400,859 | 2,646,385 * | (289,517) | (245,526) |
| Workers' Compensation | 35,000 | 35,000 | 59,909 | (24,909) | (24,909) |
| Total Operating | $ 4,200,501 | $ 4,041,240 | $ 4,324,741 | $ (124,240) | $ (283,501) |
| Student Aid | $ 539,000 | $ 557,000 | $ 576,452 | $ (37,452) | $ (19,452) |
| Asset Protection | 854,716 | 951,602 | 752,777 * | 101,939 | 198,825 |
| Capital | 386,425 | 758,238 | 527,768 * | (141,343) | 230,470 |
| Debt Service, State Obligations | 1,604,026 | 1,604,026 | 1,583,999 | 20,027 | 20,027 |
| Total Expenditures and Encumbrances | $ 31,886,467 | $ 33,668,302 | $ 33,791,676 | $ (1,905,209) | $ (123,374) |
| Excess (Deficiency) of Revenues over Expenditures and Encumbrances | $ | $ (122,500) | $ (122,500) | $ (122,500) | $ |
| Other Financing Sources: | | | | | |
| Board of Governors for Higher Education Tranfer In | | 122,500 | 122,500 | 122,500 | |
| Excess of Revenues and Other Financing Sources over Expenditures and Encumbrances | $ | $ | $ | $ | $ |

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* Includes year-end encumbrances.

** A favorable variance indicates that actual revenues are greater than budget or actual expenditures and encumbrances are less than budget. An unfavorable variance indicates that actual revenues are less than budget or actual expenditures and encumbrances are greater than budget.

## FINANCIAL SECTION

Exhibit/
Schedule

CAPITAL PROJECTS FUNDS:

Balance Sheets.............................................................. D-1

Statement of Revenues, Expenditures, and Changes in Fund Balance............... D-2

# CAPITAL PROJECTS FUNDS
(Exhibits D-1 and D-2)

## Comments

In accordance with Ch. 127, P.L. 1977, all capital project funds except for the Agricultural Land Preservation Fund and the R.I. Clean Water Act Environmental Trust Fund were combined into a single fund, Bond Capital Fund, effective July 1, 1977. The Agricultural Land Preservation Fund was established as a separate fund in accordance with Ch. 299, P.L. 1981. The R.I. Clean Water Act Environmental Trust Fund was established as a separate fund in accordance with Ch. 289, P.L. 1986.

Significant accounting principles and practices are summarized as follows:

- The financial statements of the Capital Projects Funds are presented on the accrual basis of accounting.
- Expenditures are recorded on the basis of liabilities incurred as evidenced by orders drawn on the General Treasurer for expenses applicable to the fiscal year.
- Purchase commitments are recorded as encumbrances. The amount of unliquidated encumbrances at year end is accounted for as a reservation of fund balance.

The purpose of the Capital Projects Funds is to account for the expenditure of general obligation bond proceeds for major construction projects, except for the Highway Construction Program, and Lease Participation Certificates for the acquisition of capital equipment.

## Capital Projects Highlights

| | 1988 | 1987 |
|---|---|---|
| General Obligation Bonds Issued During Fiscal Year | $119,110,000 | $ |
| General Obligation Bonds Unissued | 255,719,600 | 309,629,600 |
| Expenditures | 62,747,800 | 21,412,897 |
| Federal Grant Revenue | 15,810,472 | 2,550,998 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit D-1

## CAPITAL PROJECTS FUNDS
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | R.I. Clean Water Act Environmental Trust Fund | Agricultural Land Preservation Fund | Bond Capital Fund | Totals | |
|---|---|---|---|---|---|
| | | | | 1988 | 1987 |
| Cash | $ 90,992 | $ | $ | $ 90,992 | $ 24,165 |
| Investments, At Cost | 235,000 | 110,000 | 53,845,000 | 54,190,000 | 2,300,000 |
| Due from Federal Government | | | 5,468,016 | 5,468,016 | 946,612 |
| Total Assets | $ 325,992 | $ 110,000 | $ 59,313,016 | $ 59,749,008 | $ 3,270,777 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Cash Overdraft | $ | $ 7,465 | $ 5,763,156 | $ 5,770,621 | $ 1,979,218 |
| Vouchers and Accounts Payable | 237,086 | | 7,058,746 | 7,295,832 | 1,851,228 |
| Advance from General Fund | | | 4,400,000 | 4,400,000 | |
| Due to Highway Fund | | | 54,643 | 54,643 | 13,808 |
| Due to Capital Center Project Fund | | | 272 | 272 | 8,274 |
| Unclaimed Checks | | | 27,060 | 27,060 | 20,432 |
| Total Liabilities | $ 237,086 | $ 7,465 | $ 17,303,877 | $ 17,548,428 | $ 3,872,960 |
| Fund Balances: | | | | | |
| Reserved for Encumbrances | $ | $ 97,019 | $ 69,735,137 | $ 69,832,156 | $ 11,737,044 |
| Designated for Incomplete Projects | 32,502,457 | 5,516 | 142,996,615 | 175,504,588 | 219,007,769 |
| Undesignated | (32,413,551) | | (170,722,613) | (203,136,164) | (231,346,996) |
| Total Fund Balances (Exhibit D-2) | $ 88,906 | $ 102,535 | $ 42,009,139 | $ 42,200,580 | $ (602,183) |
| Total Liabilities and Fund Balances | $ 325,992 | $ 110,000 | $ 59,313,016 | $ 59,749,008 | $ 3,270,777 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit D-2

## CAPITAL PROJECTS FUNDS
## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1988 and 1987

| | R.I. Clean Water Act Environmental Trust Fund | Agricultural Land Preservation Fund | Bond Capital Fund | Master Lease Program | Totals | |
|---|---|---|---|---|---|---|
| | | | | | 1988 | 1987* |
| Revenues: | | | | | | |
| Federal Grants | $ | $ | $ 15,810,472 | $ | $ 15,810,472 | $ 2,550,998 |
| Income from Investments | 6,539 | 12,306 | | | 18,845 | 47,796 |
| Fines and Penalties | 54,910 | | | | 54,910 | 25,000 |
| Total Revenues | $ 61,449 | $ 12,306 | $ 15,810,472 | $ | $ 15,884,227 | $ 2,623,794 |
| Expenditures: | | | | | | |
| Individual and Family Development | $ | $ | $ 20,226,316 | $ | $ 20,226,316 | $ 12,354,262 |
| Economic Development | 2,496,708 | 338,003 | 9,002,686 | | 11,837,397 | 3,303,632 |
| Public Safety | | | 218,566 | | 218,566 | 116,518 |
| Transportation | | | 21,279,303 | | 21,279,303 | 3,218,719 |
| Comprehensive Support | | | 138,292 | | 138,292 | |
| Refunding Bonds - Expenses of Bond Issue | | | | | | 30,172 |
| Capital Outlays - Master Lease Program | | | | 9,047,926 | 9,047,926 | 2,389,594 |
| Total Expenditures | $ 2,496,708 | $ 338,003 | $ 50,865,163 | $ 9,047,926 | $ 62,747,800 | $ 21,412,897 |
| Excess (Deficiency) of Revenues over Expenditures | $ (2,435,259) | $ (325,697) | $ (35,054,691) | $ (9,047,926) | $ (46,863,573) | $ (18,789,103) |
| Other Financing Sources (Uses): | | | | | | |
| State Bonds Issued | $ 2,500,000 | $ | $ 116,610,000 | $ | $ 119,110,000 | $ |
| Proceeds of Loan from R.I. Refunding Bond Authority | | | 19,722,299 | | 19,722,299 | |
| Debt Service | | (219,100) | | | (219,100) | (250,813) |
| Lease Participation Certificates Issued | | | | 9,047,926 | 9,047,926 | 2,389,594 |
| Transfers from General Fund | | 206,794 | | | 206,794 | 184,498 |
| Transfers to Highway Fund | | | (38,467,075) | | (38,467,075) | (18,210,000) |
| Transfers to Capital Center Project Fund | | | (12,209) | | (12,209) | (54,240) |
| Transfer to Escrow Holder | | | (19,722,299) | | (19,722,299) | |
| Total Other Financing Sources (Uses) | $ 2,500,000 | $ (12,306) | $ 78,130,716 | $ 9,047,926 | $ 89,666,336 | $ (15,940,961) |
| Increase (Decrease) in Fund Balances | $ 64,741 | $ (338,003) | $ 43,076,025 | $ | $ 42,802,763 | $ (34,730,064) |
| Fund Balances, July 1 | 24,165 | 440,538 | (1,066,886) | | (602,183) | 34,127,881 |
| Fund Balances, June 30 (Exhibit D-1) | $ 88,906 | $ 102,535 | $ 42,009,139 | $ | $ 42,200,580 | $ (602,183) |

*Restated.

# FINANCIAL SECTION

PROPRIETARY FUND TYPES — Exhibit/Schedule

ENTERPRISE FUNDS:

Combining Balance Sheets.......... E-1

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings...... E-2

Combining Statement of Changes in Financial Position.......... E-3

Blackstone Valley District Fund
  Balance Sheets.......... E-4
  Statement of Revenues, Expenses, and Changes in Retained Earnings.......... E-5
  Statement of Changes in Financial Position.......... E-6

Industrial-Recreational Building Mortgage Insurance Fund
  Balance Sheets.......... E-7
  Statement of Revenues, Expenses, and Changes in Retained Earnings.......... E-8
  Statement of Changes in Financial Position.......... E-9

Water Development Fund
  Balance Sheets.......... E-10
  Statement of Revenues, Expenses, and Changes in Retained Earnings.......... E-11
  Statement of Changes in Financial Position.......... E-12

State Lottery Fund
  Balance Sheets.......... E-13
  Statement of Revenues, Expenses, and Changes in Retained Earnings.......... E-14
  Statement of Changes in Financial Position.......... E-15

R.I. Higher Education Assistance Authority Fund
  Balance Sheets.......... E-16
  Statement of Revenues, Expenses, and Changes in Retained Earnings.......... E-17
  Statement of Changes in Financial Position.......... E-18

Narragansett Bay Water Quality Management District Commission Fund
  Balance Sheets.......... E-19
  Statement of Revenues, Expenses, and Changes in Retained Earnings (Deficit).... E-20
  Statement of Changes in Financial Position.......... E-21

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-1

## COMBINING BALANCE SHEETS
## ALL ENTERPRISE FUNDS

June 30, 1988

| | Blackstone Valley District Commission (E-4) | Industrial-Recreational Building Mortgage Insurance (E-7) | Water Development (E-10) | State Lottery (E-13) | R.I. Higher Education Assistance Authority (E-16) | Narragansett Bay Water Quality Management District Commission (E-19) | Totals | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | June 30, 1988 | June 30, 1987 |
| ASSETS | | | | | | | | |
| Cash (Exhibit E-3) | $ 1,016,542 | $ 89,455 | $ 45,235 | $ 301,251 | $ 338,213 | $ 268,802 | $ 2,059,498 | $ 1,754,828 |
| Investments | 12,694,000 | 2,915,000 | 1,115,000 | 15,258,896 | 4,607,161 | 11,400,000 | 47,990,057 | 23,830,004 |
| Receivables: | | | | | | | | |
| Accounts | 2,775,847 | | 63,936 | 1,088,081 | 969,345 | 4,413,328 | 9,310,537 | 9,873,057 |
| Accrued Interest | 239,889 | 11,901 | 2,471 | 607 | 61,004 | 5,126 | 320,998 | 71,613 |
| Loans | | 604,340 | 355,175 | | 2,284,029 | | 3,243,544 | 2,695,276 |
| Due from Other Governments | 1,057,306 | | | | 71,614 | 1,933,237 | 3,062,157 | 2,150,970 |
| Due from Other Funds | | | | | 100,523 | 514,777 | 615,300 | 517,378 |
| Inventories | 23,933 | | | 271,373 | | | 295,306 | 207,008 |
| Prepaid Expenses | | | | 208,038 | 38,874 | 36,329 | 283,241 | 272,494 |
| Other | | | | | 309,848 | | 309,848 | 5,568 |
| Land | 476,749 | | | | | 1,254,400 | 1,731,149 | 1,731,149 |
| Fixed Assets | 39,946,709 | | | 1,871,912 | 3,497,845 | 13,122,642 | 58,439,108 | 57,852,600 |
| Accumulated Depreciation | (17,029,830) | | | (709,179) | (1,085,181) | (8,692,044) | (27,516,234) | (24,496,232) |
| Construction in Progress | 6,122,248 | | | | | 64,161,746 | 70,283,994 | 53,497,068 |
| Organization Expenses | 581,386 | | | | | | 581,386 | 581,386 |
| Accumulated Amortization | (329,016) | | | | | | (329,016) | (319,327) |
| Total Assets | $ 47,575,763 | $ 3,620,696 | $ 1,581,817 | $ 18,290,979 | $ 11,193,275 | $ 88,418,343 | $170,680,873 | $130,224,840 |
| LIABILITIES AND FUND EQUITY | | | | | | | | |
| Liabilities: | | | | | | | | |
| Cash Overdraft | $ | $ | $ | $ | $ | $ 2,278,252 | $ 2,278,252 | $ 211,289 |
| Vouchers and Accounts Payable | 820,013 | 11,261 | 51,537 | 282,208 | 45,651 | 2,704,578 | 3,915,248 | 4,400,189 |
| Accrued Liabilities | 293,219 | 2,472 | | 48,964 | | 804,169 | 1,148,824 | 1,448,091 |
| Due to General Fund | | | | 1,979,228 | | 3,219,583 | 5,198,811 | 5,597,271 |
| Due to Federal Government | | | | | 313,759 | | 313,759 | 125,350 |
| Deferred Revenue | | 187 | 61,513 | 234,593 | 39,392 | | 335,685 | 345,735 |
| Notes Payable | | | | | 906,379 | 940,592 | 1,846,971 | 1,515,183 |
| Revenue Bonds Payable | 18,385,000 | | | | | 7,990,000 | 26,375,000 | 8,575,000 |
| Loans Payable | | | | | | 8,520,512 | 8,520,512 | 8,995,576 |
| Other Liabilities | | | | 14,693,558 | 153,603 | | 14,847,161 | 12,285,703 |
| Total Liabilities | $ 19,498,232 | $ 13,920 | $ 113,050 | $ 17,238,551 | $ 1,458,784 | $ 26,457,686 | $ 64,780,223 | $ 43,499,387 |
| Fund Equity: | | | | | | | | |
| Contributions for Construction | $ 26,831,927 | $ | $ | $ | $ | $ 66,271,931 | $ 93,103,858 | $ 75,288,480 |
| Retained Earnings (Deficit) (Exhibit E-2) | 1,245,604 | 3,606,776 | 1,468,767 | 1,052,428 | 9,734,491 | (4,311,274) | 12,796,792 | 11,436,973 |
| Total Fund Equity | $ 28,077,531 | $ 3,606,776 | $ 1,468,767 | $ 1,052,428 | $ 9,734,491 | $ 61,960,657 | $105,900,650 | $ 86,725,453 |
| Total Liabilities and Fund Equity | $ 47,575,763 | $ 3,620,696 | $ 1,581,817 | $ 18,290,979 | $ 11,193,275 | $ 88,418,343 | $170,680,873 | $130,224,840 |

Exhibit E-2

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
## ALL ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 1988

| | Blackstone Valley District Commission (E-5) | Industrial-Recreational Building Mortgage Insurance (E-8) | Water Development (E-11) | State Lottery (E-14) | R.I. Higher Education Assistance Authority (E-17) | Narragansett Bay Water Quality Management District Commission (E-20) | Totals Year Ended June 30, 1988 | Totals Year Ended June 30, 1987 |
|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | |
| Sales | $ | $ | $ | $ 54,880,998 | $ | $ | $ 54,880,998 | $ 51,394,826 |
| Sewer Assessments | 6,674,099 | | | | | 12,089,339 | 18,763,438 | 15,975,672 |
| Guarantee Fees | | 120,705 | | | 385,210 | | 505,915 | 872,912 |
| Intergovernmental Revenues: | | | | | | | | |
| State | | | | | 9,750,698 | | 9,750,698 | 9,258,506 |
| Federal | | | | | 814,218 | | 814,218 | 932,792 |
| Lease and Sale of Property | | | 240,460 | | | | 240,460 | 209,500 |
| Interest and Penalties | 458,226 | 252,247 | 13,307 | 781,890 | 391,275 | 332,172 | 2,229,117 | 1,599,293 |
| Contributions | | | | | 29,256 | | 29,256 | 41,357 |
| Miscellaneous | 7,413 | | 32 | 4,357 | 117,394 | 328 | 129,524 | 169,385 |
| Recoveries of Default Payments | | | | | 695,866 | | 695,866 | 616,483 |
| Rental Income | | | | 24,000 | 130,528 | | 154,528 | 24,000 |
| Total Revenues | $ 7,139,738 | $ 372,952 | $ 253,799 | $ 55,691,245 | $ 12,314,445 | $ 12,421,839 | $ 88,194,018 | $ 81,094,726 |
| Expenses: | | | | | | | | |
| Supplies, Materials, and Services | $ 4,821,360 | $ 128,304 | $ 235,674 | $ 2,851,608 | $ 2,541,947 | $ 8,356,959 | $ 18,935,852 | $ 16,325,166 |
| Grant, Scholarships and Contract Programs | | | | | 9,379,266 | | 9,379,266 | 8,977,844 |
| Prize Awards | | | | 30,712,393 | | | 30,712,393 | 27,909,119 |
| Other | 20,951 | | | | 45,985 | 383,557 | 450,493 | 505,170 |
| Interest on Bonds and Notes | 802,525 | | | | | 1,164,571 | 1,967,096 | 1,458,390 |
| Depreciation and Amortization | 1,122,822 | | | 110,109 | 312,413 | 1,527,160 | 3,072,504 | 2,928,641 |
| Total Expenses | $ 6,767,658 | $ 128,304 | $ 235,674 | $ 33,674,110 | $ 12,279,611 | $ 11,432,247 | $ 64,517,604 | $ 58,104,330 |
| Excess of Revenues Over Expenses | $ 372,080 | $ 244,648 | $ 18,125 | $ 22,017,135 | $ 34,834 | $ 989,592 | $ 23,676,414 | $ 22,990,396 |
| Other Changes in Retained Earnings: | | | | | | | | |
| Interfund Transfers | | | | (22,091,800) | (248,598) | | (22,340,398) | (21,809,669) |
| Depreciation Charged to Contributed Capital | | | | | | 22,605 | 22,605 | 22,605 |
| Loss on Extinguishment of Debt | | | | | | (30,000) | (30,000) | (1,539,986) |
| Net Increase (Decrease) in Retained Earnings | $ 372,080 | $ 244,648 | $ 18,125 | $ (74,665) | $ (213,764) | $ 982,197 | $ 1,328,621 | $ (336,654) |
| Retained Earnings (Deficit) - July 1 | $ 873,524 | $ 3,362,128 | $ 1,450,642 | $ 1,127,093 | $ 9,948,255 | $ (5,324,669) | $ 11,436,973 | $ 11,776,209 |
| Prior Period Adjustment | | | | | | 31,198 | 31,198 | (2,582) |
| Retained Earnings (Deficit) - July 1, Restated | $ 873,524 | $ 3,362,128 | $ 1,450,642 | $ 1,127,093 | $ 9,948,255 | $ (5,293,471) | $ 11,468,171 | $ 11,773,627 |
| Retained Earnings (Deficit) - June 30 (Exhibit E-1) | $ 1,245,604 | $ 3,606,776 | $ 1,468,767 | $ 1,052,428 | $ 9,734,491 | $ (4,311,274) | $ 12,796,792 | $ 11,436,973 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-3

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
## ALL ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 1988

| | Blackstone Valley District Commission (E-6) | Industrial-Recreational Building Mortgage Insurance (E-9) | Water Development (E-12) | State Lottery (E-15) | R.I. Higher Education Assistance Authority (E-18) | Narragansett Bay Water Quality Management District Commission (E-21) | Totals | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Year Ended | |
| Sources of Financial Resources: | | | | | | | June 30, 1988 | June 30, 1987 |
| Operations: | | | | | | | | |
| Sales | $ 6,430,497 | $ | $ | $ 55,015,808 | $ 916,202 | $ 11,962,527 | $ 74,325,034 | $ 66,428,875 |
| Collection of Mortgage Insurance Premiums | | 120,978 | | | | | 120,978 | 132,506 |
| Federal Grants | | | | | 459,130 | | 459,130 | 939,495 |
| Lease and Sale of Property | | | 229,980 | | | | 229,980 | 253,246 |
| Recoveries on Guaranteed Loans | | | | | 1,811,139 | | 1,811,139 | 860,936 |
| Total Sources from Operations | $ 6,430,497 | $ 120,978 | $ 229,980 | $ 55,015,808 | $ 3,186,471 | $ 11,962,527 | $ 76,946,261 | $ 68,615,058 |
| Other Sources: | | | | | | | | |
| Proceeds on Bonds Issued | 12,045,000 | | | | | 6,800,000 | 18,845,000 | |
| Proceeds from Advance Refunding Bonds | | | | | | 270,000 | 270,000 | 9,133,031 |
| Proceeds on Notes Issued | | | | | 374,240 | | 374,240 | 1,328,459 |
| Proceeds from Sale of Investments | 65,620,108 | 11,460,000 | 10,585,000 | 48,557,345 | 9,424,250 | 126,125,125 | 271,771,828 | 147,412,009 |
| Collections of Loans and Mortgages | | 16,039 | 92,675 | | 107,988 | | 216,702 | 195,491 |
| Transfers from General Fund | | | | | 9,750,698 | 2,000,000 | 11,750,698 | 9,079,401 |
| Investment Earnings and Other Income | 240,646 | 268,141 | 104,691 | 784,361 | 369,903 | 154,764 | 1,922,506 | 1,591,858 |
| Contributed Capital: | | | | | | | | |
| Federal | 3,424,342 | | | | | 6,920,541 | 10,344,883 | 5,407,928 |
| State | 486,980 | | | | | 5,926,987 | 6,413,967 | 1,052,658 |
| Increase in Cash Overdraft | | | | | | 2,066,963 | 2,066,963 | 211,289 |
| Total Sources of Financial Resources | $ 88,247,573 | $11,865,158 | $ 11,012,346 | $104,357,514 | $ 23,213,550 | $162,226,907 | $400,923,048 | $244,027,182 |
| Uses of Financial Resources: | | | | | | | | |
| Operations: | | | | | | | | |
| Supplies, Materials, and Services | $ 4,847,604 | $ 127,845 | $ 209,428 | $ 30,936,155 | $ 2,448,693 | $ 10,673,410 | $ 49,243,135 | $ 41,894,790 |
| Grants, Scholarships, and Contract Programs | | | | | 9,571,296 | | 9,571,296 | 9,033,815 |
| Refund of Receipts | 11,890 | | | | | | 11,890 | 12,747 |
| Total Uses for Operations | $ 4,859,494 | $ 127,845 | $ 209,428 | $ 30,936,155 | $ 12,019,989 | $ 10,673,410 | $ 58,826,321 | $ 50,941,352 |
| Other Uses: | | | | | | | | |
| Loans Issued | | | 300,000 | | 356,982 | | 656,982 | 266,061 |
| Return of Advance from General Fund | | 40,000 | | | | 2,000,000 | 2,040,000 | 130,000 |
| Payment of Debt Service | 1,487,774 | | | | 13,044 | 859,472 | 2,360,290 | 2,438,788 |
| Payment to Escrow Holder and Cost of Issuance | 36,783 | | | | 309,848 | 270,000 | 616,631 | 9,133,031 |
| Redemption of Notes | | | | | | | | 85,000 |
| Purchase of Investments | 76,314,108 | 11,700,000 | 10,435,000 | 50,740,498 | 10,044,240 | 136,700,125 | 295,933,971 | 145,496,414 |
| Interfund Transfers | | | 87,631 | 22,452,451 | 248,598 | | 22,788,680 | 21,254,917 |
| Purchase of Fixed Assets | 5,774,411 | | | 5,320 | 160,674 | 11,455,098 | 17,395,503 | 13,627,190 |
| Total Uses of Financial Resources | $ 88,472,570 | $11,867,845 | $ 11,032,059 | $104,134,424 | $ 23,153,375 | $161,958,105 | $400,618,378 | $243,372,753 |
| Increase (Decrease) in Cash | $ (224,997) | $ (2,687) | $ (19,713) | $ 223,090 | $ 60,175 | $ 268,802 | $ 304,670 | $ 654,429 |
| Cash, July 1 | 1,241,539 | 92,142 | 64,948 | 78,161 | 278,038 | | 1,754,828 | 1,100,399 |
| Cash, June 30 (Exhibit E-1) | $ 1,016,542 | $ 89,455 | $ 45,235 | $ 301,251 | $ 338,213 | $ 268,802 | $ 2,059,498 | $ 1,754,828 |

# BLACKSTONE VALLEY DISTRICT COMMISSION FUND
(Exhibits E-4, 5, 6)

## Comments

### Organization

The Blackstone Valley District Commission, whose operations are accounted for in the Blackstone Valley District Fund, was created as a state agency for the planning, construction, operation and maintenance of facilities to deal with sewerage and industrial wastes originating in the Blackstone and Moshassuck Valleys. It operates a sewerage treatment system which serves Pawtucket, Central Falls, Lincoln, Cumberland, East Providence and portions of Smithfield. The Commission derives its revenue from assessments charged to municipalities and others using its facilities.

### Basis of Accounting

The Blackstone Valley District Commission Fund uses the accrual basis of accounting which is required for self-supporting governmental units.

### Revenue Recognition

The Commission accounts for revenue as earned on the basis of sewer usage during its fiscal year. It bills its customers annually for usage during twelve-month periods ending within its fiscal year. Accordingly, at year end, usage since the last cycle billing dates is determined, priced in accordance with its rate schedule, and the resultant amount is accounted for as revenue and unbilled accounts receivable.

### Federal Grants

The Commission was awarded a federal grant in the amount of $6,144,270 for improvements to the Bucklin Point Sewage Treatment Plant. The total construction cost is estimated at $8,200,040, of which $1,228,854 will be paid by the state and the remainder will be paid by the Commission. Construction and engineering costs incurred through June 30, 1988 amounted to $5,144,796.

### Inventories

Inventories are priced at cost.

### Utility Plant

Utility plant is stated at cost. Depreciation is computed by the straight-line method over the estimated useful lives of the related assets.

### Organization Expense

Organization expense is amortized over a 60-year period ending June 30, 2014.

## BLACKSTONE VALLEY DISTRICT COMMISSION FUND

(Exhibits E-4, 5, 6)

Comments (Cont'd.)

### Employee Benefit - Pension Expense

Employees of the Blackstone Valley District Commission are members of the State retirement system which requires that both the Commission and the employees make contributions under the plan.

Pension contributions are based on actuarially computed percentages applied to salaries paid. The Commission's contributions amounted to $183,955 in 1988 and $165,493 in 1987.

### Long-Term Debt

Bond retirements during the year were $720,000. Long-term Debt on June 30, 1988 is $18,385,000 and matures as follows: 1989 - $775,000; 1990 - $855,000; 1991 - $915,000; 1992 - $995,000; 1993 - $1,080,000; and 1994 to 2008 - $13,765,000.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-4

## BLACKSTONE VALLEY DISTRICT COMMISSION FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | 1988 | 1987 |
|---|---|---|
| Cash (Exhibit E-6) | $ 1,016,542 | $ 1,241,539 |
| Investments | 12,694,000 | 2,000,000 |
| Receivables: | | |
| Accounts | 2,775,847 | 2,523,099 |
| Accrued Interest | 239,889 | 376 |
| Due from Other Governments | 1,057,306 | 394,030 |
| Prepaid Expenses | | 15,364 |
| Operating Supplies Inventory | 23,933 | 17,746 |
| Land, Easements, Etc. | 476,749 | 476,749 |
| Fixed Assets | 39,946,709 | 39,629,325 |
| Accumulated Depreciation | (17,029,830) | (15,945,204) |
| Construction in Progress | 6,122,248 | 339,022 |
| Organization Expense | 581,386 | 581,386 |
| Accumulated Amortization | (329,016) | (319,327) |
| Total Assets | $ 47,575,763 | $ 30,954,105 |

| LIABILITIES AND FUND EQUITY | 1988 | 1987 |
|---|---|---|
| Liabilities: | | |
| Vouchers and Accounts Payable | $ 820,013 | $ 547,129 |
| Accrued Liabilities | 293,219 | 216,122 |
| Revenue Bonds Payable | 18,385,000 | 7,060,000 |
| Total Liabilities | $ 19,498,232 | $ 7,823,251 |
| Fund Equity: | | |
| Contributions for Construction | $ 26,831,927 | $ 22,257,330 |
| Retained Earnings (Exhibit E-5) | 1,245,604 | 873,524 |
| Total Fund Equity | $ 28,077,531 | $ 23,130,854 |
| Total Liabilities and Fund Equity | $ 47,575,763 | $ 30,954,105 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-5

## BLACKSTONE VALLEY DISTRICT COMMISSION FUND
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Sewer Assessments | $ 6,674,099 | $ 5,626,943 |
| Interest | 458,226 | 138,043 |
| Miscellaneous | 7,413 | 8,254 |
| Total Revenues | $ 7,139,738 | $ 5,773,240 |
| Expenses: | | |
| Supplies, Materials, and Services | $ 4,821,360 | $ 4,008,714 |
| Interest on Bonds and Notes | 802,525 | 485,078 |
| Depreciation and Amortization | 1,122,822 | 1,129,799 |
| Other | 20,951 | |
| Total Expenses | $ 6,767,658 | $ 5,623,591 |
| Net Increase in Retained Earnings | $ 372,080 | $ 149,649 |
| Retained Earnings - July 1 | 873,524 | 723,875 |
| Retained Earnings - June 30 (Exhibit E-4) | $ 1,245,604 | $ 873,524 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-6

## BLACKSTONE VALLEY DISTRICT COMMISSION FUND
## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Sources of Financial Resources: | | |
| Operations: | | |
| Collection of Sewer Assessments | $ 6,430,497 | $ 5,828,778 |
| Total Sources from Operations | $ 6,430,497 | $ 5,828,778 |
| Other Sources: | | |
| Proceeds on Bonds Issued | 12,045,000 | |
| Proceeds from Sale of Investments | 65,620,108 | 22,240,000 |
| Investment Earnings and Other Income | 240,646 | 144,482 |
| Contributed Capital: | | |
| Federal Grants - Sewage Treatment Facilities | 3,424,342 | 221,028 |
| State Aid - Sewage Treatment Facilities | 486,980 | 44,205 |
| Total Sources of Financial Resources | $88,247,573 | $28,478,493 |
| Uses of Financial Resources: | | |
| Operations: | | |
| Personal Services and Employee Benefits | $ 2,295,658 | $ 1,446,062 |
| Supplies, Materials, and Services | 2,551,946 | 2,574,870 |
| Refund of Receipts | 11,890 | 12,747 |
| Total Uses for Operations | $ 4,859,494 | $ 4,033,679 |
| Other Uses: | | |
| Utility Plant in Service and Construction in Progress | 5,774,411 | 523,089 |
| Purchase of Investments | 76,314,108 | 22,550,000 |
| Debt Service | 1,487,774 | 1,223,592 |
| Cost of Bond Issuance | 36,783 | |
| Total Uses of Financial Resources | $88,472,570 | $28,330,360 |
| Increase (Decrease) in Cash | $ (224,997) | $ 148,133 |
| Cash, July 1 | 1,241,539 | 1,093,406 |
| Cash, June 30 (Exhibit E-4) | $ 1,016,542 | $ 1,241,539 |

## INDUSTRIAL-RECREATIONAL BUILDING MORTGAGE INSURANCE FUND

(Exhibits E-7, 8, 9)

### Comments

#### Organization

The Rhode Island Industrial-Recreational Building Authority is authorized to insure first mortgages and first security agreements granted by financial institutions and the Rhode Island Industrial Facilities Corporation up to a maximum of $80,000,000. At June 30, 1988, there was $57,179,216 available to insure additional mortgages.

The retained earnings at June 30, 1988 represents revenues accumulated in excess of expenses and will be used to offset future losses of the Authority. In accordance with G.L. 42-34, any losses realized in excess of the retained earnings will be funded by the State of Rhode Island.

During November, 1987, the Rhode Island Recreational Building Authority merged with the Rhode Island Industrial Building Authority resulting in an entity designated as the Rhode Island Industrial-Recreational Building Authority. The Rhode Island Industrial-Recreational Building Authority repaid the Rhode Island Recreational Building Authority's $40,000 loan from the State of Rhode Island.

#### Basis of Accounting

The Rhode Island Industrial-Recreational Building Authority uses the accrual basis of accounting which is required for self-supporting governmental units.

#### Depreciation

Depreciation of office equipment is provided over the estimated useful lives of the assets on the straight-line basis.

#### Losses on Mortgage Insurance Agreements

Losses on mortgage insurance agreements are recognized when the amount of loss is determinable and occurrence is probable.

#### Investments

Investments consist of the following as of June 30, 1988:

| | Carrying Amount | Market Value |
|---|---|---|
| Bank of New England, 7.35% certificate of deposit due August 16, 1988 | $1,040,000 | $1,040,425 |
| Olympic Bank, 7.40% certificate of deposit due August 16, 1988 | 745,000 | 747,144 |
| Fleet National Bank, 7.00% certificate of deposit due July 12, 1988 | 580,000 | 585,413 |
| Bank of New England, 7.125% certificate of deposit due July 29, 1988 | 550,000 | 553,919 |
| Total | $2,915,000 | $2,926,901 |

## INDUSTRIAL-RECREATIONAL BUILDING MORTGAGE INSURANCE FUND

(Exhibits E-7, 8, 9)

Comments (Cont'd)

### Investments (cont'd.)

Investments of the Rhode Island Industrial-Recreational Building Authority are stated at cost with accrued interest shown under a separate caption on the balance sheet. Market value includes interest accrued to June 30, 1988 of $11,901.

Cash of $89,455 consists of an imprest cash balance of $30,000 and a checking account balance of $59,455 as of June 30, 1988.

All cash and investments deposited with individual financial institutions are in the custody of the General Treasurer; therefore, they are aggregated for the purpose of determining Federal and State depository insured amounts.

### Mortgage Note Receivable

During April, 1982, the Authority granted a first mortgage to SSP Realty Associates in the amount of $729,000 to purchase an insured project that had defaulted. The original mortgage consisted of a second mortgage of $306,800, the balance of the defaulted first mortgage of $317,500, recovery of expenses incurred by the Authority relative to the foreclosure of $44,700, and $60,000 to be utilized for repairs to the existing building.

During August, 1985, Stonington Associates and Point Judith Packing Company assumed the operations of Stonington Seafood Products, SSP Realty Associates and SSP Equipment Associates. Stonington Associates assumed the balance of the insured first security agreement with Fleet National Bank and the first mortgage with the Authority. Both debts are personally guaranteed by the principals of Stonington Associates. The balances at June 30, 1988 of both the insured first security agreement and the insured mortgage are $357,850 and $565,203, respectively.

### Notes Receivable

| | |
|---|---|
| Notes receivable on demand from the principal stockholders of Rubber Covered Products Co., Inc. Interest is due at the rate of 10% per annum | $39,137 |

### Interest Earnings

Interest for the year ended June 30, 1988 is comprised of the following:

| | |
|---|---|
| Interest on investments | $204,270 |
| Interest on mortgage note receivable | 43,737 |
| Interest on notes | 4,240 |
| Total Interest | $252,247 |

# INDUSTRIAL-RECREATIONAL BUILDING MORTGAGE INSURANCE FUND

(Exhibits E-7, 8, 9)

Comments (Cont'd)

## Accounts Payable

Accounts payable at June 30, 1988 is comprised of the following:

| | |
|---|---|
| Insurance | $ 8,961 |
| Accounting fees | 2,300 |
| Total Accounts Payable | $11,261 |

## Defined Benefit Pension Plan

All Rhode Island Industrial-Recreational Building Authority full-time employees participate in the Employees' Retirement System of the State of Rhode Island ("System"), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended June 30, 1988 was $63,520. The contribution requirement for the year ended June 30, 1988 was $12,704, which consisted of $7,940 from the State and $4,764 from employees. These contributions represented 12.5% and 7.5% of covered payroll, respectively.

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-7

## INDUSTRIAL-RECREATIONAL BUILDING MORTGAGE INSURANCE FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | 1988 | 1987* |
|---|---|---|
| Cash (Exhibit E-9) | $ 89,455 | $ 92,142 |
| Investments at Cost, which approximates market | 2,915,000 | 2,675,000 |
| Receivables: | | |
| Mortgage Insurance Premiums | | 616 |
| Demand Notes | 39,137 | 39,137 |
| Accrued Interest | 11,901 | 27,356 |
| Mortgage Notes | 565,203 | 581,242 |
| Total Assets | $ 3,620,696 | $ 3,415,493 |

| LIABILITIES AND RETAINED EARNINGS | 1988 | 1987* |
|---|---|---|
| Vouchers and Accounts Payable | $ 11,261 | $ 10,802 |
| Loan from General Fund | | 40,000 |
| Accrued Payroll and Employee Benefits | 2,472 | 2,034 |
| Deferred Revenue - Mortgage Insurance Premiums | 187 | 529 |
| Total Liabilities | $ 13,920 | $ 53,365 |
| Retained Earnings (Exhibit E-8) | 3,606,776 | 3,362,128 |
| Total Liabilities and Retained Earnings | $ 3,620,696 | $ 3,415,493 |

*Restated

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-8

## INDUSTRIAL-RECREATIONAL BUILDING MORTGAGE INSURANCE FUND
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987* |
|---|---|---|
| Revenues: | | |
| Mortgage Insurance Premiums | $ 120,705 | $ 132,696 |
| Interest: | | |
| Investments | 204,270 | 160,864 |
| Mortgage and Notes | 47,977 | 52,663 |
| Recoveries of Default Payments | | 9,531 |
| Total Revenues | $ 372,952 | $ 355,754 |
| Expenses: | | |
| Supplies, Materials and Services | $ 128,304 | $ 129,320 |
| Default Property Expenditures | | 1,228 |
| Interest on Bonds | | 5,500 |
| Total Expenses | $ 128,304 | $ 136,048 |
| Excess of Revenues over Expenses | 244,648 | 219,706 |
| Retained Earnings, July 1 | 3,362,128 | 3,155,250 |
| Prior Period Adjustment | | (12,828) |
| Retained Earnings, July 1, Restated | $ 3,362,128 | $ 3,142,422 |
| Retained Earnings, June 30 (Exhibit E-7) | $ 3,606,776 | $ 3,362,128 |

*Restated

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-9

## INDUSTRIAL-RECREATIONAL BUILDING MORTGAGE INSURANCE FUND
## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987* |
|---|---|---|
| **Sources of Financial Resources** | | |
| Operations: | | |
| Collection of Mortgage Insurance Premiums | $ 120,978 | $ 132,506 |
| Rental and Recoveries of Default Property | | 253,984 |
| Total Sources from Operations | $ 120,978 | $ 386,490 |
| Other Sources: | | |
| Proceeds from Sale of Investments | 11,460,000 | 10,170,000 |
| Collection on Mortgage Receivable | 16,039 | 9,882 |
| Investment Earnings and Other Income | 267,703 | 204,561 |
| Loan from General Fund | | 110,000 |
| Miscellaneous | 438 | 459 |
| Total Sources of Financial Resources | $ 11,865,158 | $ 10,881,392 |
| **Uses of Financial Resources** | | |
| Operations: | | |
| Supplies, Materials and Services | $ 127,845 | $ 121,268 |
| Default Property Expenditures | | 10,758 |
| Total Uses for Operations | $ 127,845 | $ 132,026 |
| Other Uses: | | |
| Purchase of Investments | 11,700,000 | 10,425,000 |
| Repayment of Loan from General Fund | 40,000 | 130,000 |
| Debt Service | | 211,000 |
| Total Uses of Financial Resources | $ 11,867,845 | $ 10,898,026 |
| Decrease in Cash | $ (2,687) | $ (16,634) |
| Cash, July 1 | 92,142 | 108,776 |
| Cash, June 30 (Exhibit E-7) | $ 89,455 | $ 92,142 |

*Restated

## WATER DEVELOPMENT FUND

(Exhibits E-10, 11, 12)

### Comments

The financial statements present the status of the Statutory Maximum as provided in Section 46-15-24 of the General Laws of R.I. and of the Statutory Excess which is being used by the Rhode Island Water Resources Board in accordance with the provisions of Chapters 46-15 and 46-15.1 of the General Laws of the State of Rhode Island.

The following loans for improvements of Water Facilities under Section 46-15-6 General Laws of Rhode Island, as amended, are outstanding as of June 30, 1988.

| | | | Annual Payments | | | |
|---|---|---|---|---|---|---|
| Maker | Date of Loan | Amount | Number | Amount | Ann. Int. Rate | Current Balance |
| City of Newport | 6/79 | $225,000 | 10 | $ 22,500 | 4% | $ 22,500 |
| Town of Johnston | 7/84 | 130,700 | 4 | 32,675 | 8% | 32,675 |
| R.I. Water Resources Board Corporate | 12/87 | 300,000 | 1 | 300,000 | 4% | 300,000 |
| | | | | | | $355,175 |

Investment Income is credited directly to the General Fund for the payment of debt. Interest on loans receivable is retained as a part of the fund under Section 46-15-24 of the General Laws.

Exhibit E-10

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## WATER DEVELOPMENT FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| | 1988 | | 1987 | |
|---|---|---|---|---|
| | Statutory Maximum | Statutory Excess | Statutory Maximum | Statutory Excess |
| **ASSETS** | | | | |
| Cash with General Treasurer (Exhibit E-12) | $ | $ 45,235 | $ | $ 64,948 |
| Loans Receivable | 355,175 | | 147,850 | |
| Investments (At Cost) | 578,418 | 536,582 | 786,283 | 478,717 |
| Interest Receivable on Loans | 2,471 | | 6,193 | |
| Accounts Receivable | 63,936 | | 59,674 | |
| Total Assets | $ 1,000,000 | $ 581,817 | $ 1,000,000 | $ 543,665 |
| **LIABILITIES AND RETAINED EARNINGS** | | | | |
| Liabilities: | | | | |
| Accounts and Vouchers Payable | $ | $ 51,537 | $ | $ 25,291 |
| Deferred Revenue | | 61,513 | | 67,732 |
| Total Liabilities | $ | $ 113,050 | $ | $ 93,023 |
| Retained Earnings (Exhibit E-11) | $ 1,000,000 | $ 468,767 | $ 1,000,000 | $ 450,642 |
| Total Liabilities and Retained Earnings | $ 1,000,000 | $ 581,817 | $ 1,000,000 | $ 543,665 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-11

## WATER DEVELOPMENT FUND
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | | 1987 | |
|---|---|---|---|---|
| | Statutory Maximum | Statutory Excess | Statutory Maximum | Statutory Excess |
| Revenues: | | | | |
| Lease of Reservoir Sites | $ 92,635 | $ | $ 94,278 | $ |
| Sale of Surplus Property | 147,825 | | 114,542 | |
| Miscellaneous | 32 | | 680 | |
| Interest on Loans | 13,307 | | 13,353 | |
| Transfer of Statutuory Excess | (253,799) | 253,799 | (222,853) | 222,853 |
| Total Revenue | $ | $ 253,799 | $ | $ 222,853 |
| Expenses: | | | | |
| Supplies, Materials and Services | $ | $ 235,674 | $ | $ 324,597 |
| Total Expenses | $ | $ 235,674 | $ | $ 324,597 |
| Excess (Deficiency) of Revenues over Expenses | $ | $ 18,125 | $ | $ (101,744) |
| Retained Earnings, July 1 | 1,000,000 | 450,642 | 1,000,000 | 552,386 |
| Retained Earnings, June 30 (Exhibit E-10) | $ 1,000,000 | $ 468,767 | $ 1,000,000 | $ 450,642 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

**Exhibit E-12**

## WATER DEVELOPMENT FUND
## STATEMENT OF CHANGES IN FINANCIAL POSITION
For The Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | | 1987 | |
|---|---|---|---|---|
| | Statutory Maximum | Statutory Excess | Statutory Maximum | Statutory Excess |
| **Sources of Financial Resources** | | | | |
| Operations: | | | | |
| Lease and Sale of Property | $ 229,980 | $ | $ 253,246 | $ |
| Transfer of Statutory Excess | | 247,040 | | 272,618 |
| Total Sources from Operations | $ 229,980 | $ 247,040 | $ 253,246 | $ 272,618 |
| Other Sources: | | | | |
| Proceeds from Sale of Investments | 10,585,000 | | 8,393,660 | 47,675 |
| Collections of Loans | 92,675 | | 137,675 | |
| Investment Earnings | 87,631 | | 78,563 | |
| Interest on Loans | 17,028 | | 19,342 | |
| Miscellaneous | 32 | | 30 | |
| Total Sources of Financial Resources | $ 11,012,346 | $ 247,040 | $ 8,882,516 | $ 320,293 |
| **Uses of Financial Resources** | | | | |
| Operations: | | | | |
| Supplies, Materials and Services | $ | $ 209,428 | $ | $ 310,557 |
| Total Uses for Operations | $ | $ 209,428 | $ | $ 310,557 |
| Other Uses: | | | | |
| New Loans | 300,000 | | | |
| Purchase of Investments | 10,377,675 | 57,325 | 8,531,335 | |
| Transfer to General Fund - Investment Earnings | 87,631 | | 78,563 | |
| Transfer of Statutory Excess | 247,040 | | 272,618 | |
| Total Uses of Financial Resources | $ 11,012,346 | $ 266,753 | $ 8,882,516 | $ 310,557 |
| Increase (Decrease) in Cash | $ | $ (19,713) | $ | $ 9,736 |
| Cash, July 1 | | 64,948 | | 55,212 |
| Cash, June 30 (Exhibit E-10) | $ | $ 45,235 | $ | $ 64,948 |

# STATE LOTTERY FUND

(Exhibits E-13, 14, 15)

## Comments

### Summary of Significant Accounting Policies

(a) General

The Rhode Island Lottery Commission (The Lottery) conducts its operations as an enterprise fund within the State of Rhode Island. The accompanying financial statements are prepared on the accrual basis of accounting under generally accepted accounting principles.

(b) Revenue and Expenses

Revenue from sale of lottery tickets, commissions to agents, prizes, and agent bonuses are recognized as follows:

(i) Games with specific drawing dates - during the period in which the related drawings are held.

(ii) Games without specific drawing dates - during the period in which the lottery ticket agent reports the sale.

Operating expenses are recognized in the period during which the expenses are incurred.

(c) Subscription Sales

The Lottery sells subscriptions which entitle the subscriber to participate in 6, 20, or 52 weekly "Grand Lot" game drawings. The Lottery also offers subscriptions for its "Lot-O-Bucks" game which entitle the subscriber to participate in 26, 52 or 78 drawings. Revenue from subscription sales is recognized ratably during the period of the respective drawings. The portion of revenue pertaining to drawings to be held subsequent to June 30 is reported as deferred revenue on the balance sheet.

(d) Investments for Jackpot Awards

Investments for Jackpot Awards are stated at cost of the annuities or United States government securities purchased in the name of The Lottery and accrued interest thereon, less annual installments paid to the award winners. The stated amount of these investments is also reflected as a liability under the caption "Obligation for Unpaid Prize Awards."

(e) Obligation for Prizes Payable in Installments

The Lottery purchases annuity contracts or United States government securities to provide for the payment of its obligation for prize awards payable in annual installments and accounts for the cost of such purchases as prize award expense in the year of the award.

Obligation for Prizes Payable in Installments (cont'd.)

Annuity contracts purchased prior to November 15, 1983, are in the name of the award winner and provide for direct payment of annual annuity payments by the insurer to the award winner. Those purchased November 15, 1983, and subsequently are in the name of The Lottery. The contracts provide for direct payment of annual annuity payments by the insurer to The Lottery. Accordingly, The Lottery has a direct obligation to make future installment payments to the award winner. In July 1984, The Lottery began purchasing United States government securities in the name of The Lottery instead of annuities to provide for the payment of its obligation for Jackpot installment prizes.

The investments for Jackpot awards and related obligations for unpaid prize awards are stated at cost plus accumulated interest less payments made to date. Interest earned on investments for Jackpot awards in the name of The Lottery is accounted for as part of The Lottery's obligation for unpaid prize awards, rather than as income of The Lottery.

(f) Obligation for Unpaid Prizes and Forfeited Prizes

The Lottery accrues for the maximum prizes payable on ticket sales. Any prize awards remaining in the obligation one year after the drawing date other than those payable in annual installments, are recovered as revenue.

(g) Fixed Assets

Fixed assets are stated at cost. The Lottery provides for depreciation on its fixed assets using the straight-line method based on the estimated useful lives of the assets.

(h) Deferred Charges

Promotion expenses relating to new lottery games are deferred and amortized to expense as follows:

(i) Games with a specific number of tickets, such as the Instant Games - in proportion to tickets sold.

(ii) Games with expected limited duration, such as Grand Lot - over three months.

(iii) Games with expected long-term duration, such as the Numbers Game - over one year.

# STATE LOTTERY FUND

(Exhibits E-13, 14, 15)

## Comments (cont'd.)

### Operations

Section 42-61-15 of the General Laws of the State of R.I. provides that the allocation of prize awards shall be equal, as nearly as practicable, to 45% of gross ticket sales. For the years ended June 30, 1988 and 1987, the percentage of prizes awarded on gross ticket sales was 51.3% and 49.2%, respectively.

The State Law also provides that earnings remaining after allocation for prize awards and payment of expenses shall be paid to the State's General Fund, the net amount of which shall not be less than 30% of gross revenue plus any other income earned by The Lottery. It has been The Lottery's policy to turn over all remaining unappropriated net earnings to the State within the subsequent fiscal period.

During the years 1980 to 1983, earnings of $1,458,275 otherwise due for payment to the General Fund of the State of Rhode Island, were retained by The Lottery to finance construction of a new office headquarters. It is The Lottery's intent to repay this amount to the General Fund in amounts equal to the amount of depreciation provided in each accounting period during the life of the building, although it has no obligation to do so.

In an effort to generate additional ticket sales the Rhode Island Lottery Commission entered into an agreement in September 1987 to participate in a multi-state lottery (MUSL) game called "Lotto America". Other members of the MUSL include the District of Columbia, Iowa, Kansas, Missouri, Oregon and West Virginia.

Lotto America players must correctly select seven digits out of a possible 40 to win the jackpot. The minimum jackpot awarded under the Lotto America games is $2 million dollars. Prizes are also awarded if a player correctly chooses six, five or four numbers of the seven numbers drawn.

Rhode Island Lottery ticket agents began selling the one dollar "Lotto America" tickets on February 3, 1988.

The Lottery incurs a prize obligation of approximately 45% of agent revenues, a pro rata share of administrative expenses, and commission expenses related to agents of 8% and on-line vendors of 4.8% all of which are based on revenues realized in Rhode Island from the MUSL game.

The total revenue realized from February 3, 1988 to June 30, 1988 for the MUSL game was $1,960,462 with administrative expenses of $27,504.

The Lottery transferred $19,800,000 to the General Fund during the fiscal year ending June 30, 1988. The $1,979,228 net balance of the June 30, 1988 earnings due the State General Fund was paid by August 31, 1988. This amount is net of $62,572 of investment income due The Lottery on money transferred to the General Fund prior to June 30, 1988 and retained in the General Fund. Due to state legislation enacted during the year, The Lottery was required to transfer an amount to the Rhode Island State Council on the Arts. The amount so tranferred was $250,000 and is included in current earnings paid and due to State General Fund and other State Agencies on the Statement of Revenues, Expenses and Changes in Retained Earnings.

# STATE LOTTERY FUND

(Exhibits E-13, 14, 15)

## Comments (cont'd.)

### Investment and Deposit Risk

The following table categorizes The Lottery's investments so as to provide an indication of the level of market risk and credit risk assumed by The Lottery at year-end. Market risk is the risk that the market value of an investment or collateral securing the investment will decline. Credit risk is the risk that another party to an investment transaction (counterparty) will not fulfill its obligation. Credit risk can be associated with the issuer of a security, with a financial institution holding deposits, or with the custodian of securities or collateral.

| | Category | | Carrying | Market |
|---|---|---|---|---|
| | 1 | 2 | Amount | Value |
| Certificates of Deposit | $ 500,000 | $1,200,000 | $ 1,700,000 | $ 1,700,000 |
| Annuity Contracts | -- | 1,052,004 | 1,052,004 | 1,052,004 |
| Zero Coupon U.S. Treasury Bonds | 12,506,892 | -- | 12,506,892 | 12,617,136 |
| Total | $13,006,892 | $2,252,004 | $15,258,896 | $15,369,140 |

Category 1 includes investments that are insured or registered or for which the securities are held by The Lottery or its agent in the The Lottery's name. Category 2 includes uninsured and unregistered investments for which securities are held by The Lottery or the broker's or dealer's trust department or agent in The Lottery's name.

At June 30, 1988, the carrying amount of the Lottery's deposits was $300,751 and the bank balance was $329,668. Of the bank balance $165,087 was covered by federal depository insurance and $164,581 was uninsured.

### Fixed Assets

A summary of fixed assets follows:

| | Cost at June 30 | |
|---|---|---|
| | 1988 | 1987 |
| Building | $1,493,512 | $1,493,512 |
| Building improvements | 13,252 | 12,502 |
| Lottery drawing equipment | 25,964 | 25,964 |
| Ticket production equipment and computers | 113,853 | 111,455 |
| Office equipment | 42,310 | 52,354 |
| Furniture and fixtures | 40,263 | 40,141 |
| Trucks | 9,500 | 9,500 |
| Autos | 133,258 | 133,258 |
| | $1,871,912 | $1,878,686 |

## Fixed Assets (cont'd.)

The Lottery's headquarters is located on State of Rhode Island owned land in Cranston, Rhode Island. The State has assigned custody, control and supervision of the land to the Rhode Island Lottery Commission at no cost. Since title to such land remains vested in the State of Rhode Island, the accompanying balance sheet does not reflect any land owned by the Lottery.

## Retirement Plan

All full-time employees of the Lottery participate in the Employee's Retirement System of the State of Rhode Island ("System"), a multiple-employer public employee retirement system. The payroll of employees covered by the System was $959,000 and $909,000 for the years ending June 30, 1988 and 1987 respectively; The Lottery's total payroll expense for the years ending June 30, 1988 and 1987 was $987,094 and $922,087, respectively. Covered employees were required by State statutes to contribute 7.5% of salaries paid while The Lottery was required to pay an actuarially computed percentage of 12.5% of salaries paid for the years ending June 30, 1988 and 1987 respectively. Employees contributed $71,965 and $67,988 and The Lottery contributed $119,942 and $113,313 during the years ending June 30, 1988 and 1987, respectively.

## Commitments

The Lottery has contracted with an outside corporation to provide computer hardware and software equipment and to administer several of The Lottery's numbers games. The contract which expires in 1992, was negotiated effective January 21, 1987. It provides for commission payments on a declining scale of between 4.8% to 4.0% of sales of the various games. Total commissions paid relating to this agreement during the years ending June 30, 1988 and 1987 were $2,192,711 and $2,563,342, respectively.

The Lottery has an option to purchase the computer hardware and software as part of its contract.

The Lottery currently leases a portion of their building to the computer contractor to house computer hardware ncesssary for the on-line numbers games. According to the lease agreement, the term of the lease will continue until 10 days after the termination of the contract for the operation of the Rhode Island Lottery Daily Numbers Game. Rent for the premises is payable at the rate of $24,000 per annum with the lessee responsible for the payment of electrical charges.

## Federal Income Taxes Withheld

The Internal Revenue Service requires any State or State agency to withhold income taxes of 20% on lottery winnings exceeding $5,000. As of June 30, 1988, The Lottery had renitted all withholdings to the Internal Revenue Service.

## Litigation

The Lottery is party to lawsuits which are being contested. In legal counsel's and management's opinion, the ultimate liability, if any, with respect to these actions will not have a material adverse effect on The Lottery's operations.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-13

## STATE LOTTERY FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | 1988 | 1987 |
|---|---|---|
| Cash (Exhibit E-15) | $ 301,251 | $ 78,161 |
| Investments - At Cost | 1,700,000 | 2,600,000 |
| Investment for Jackpot Awards | 13,558,896 | 10,475,743 |
| Accounts Receivable | 1,088,081 | 1,240,732 |
| Inventory | 271,373 | 189,262 |
| Prepaid Expenses and Deferred Charges | 208,038 | 144,988 |
| Accrued Interest Receivable | 607 | |
| Fixed Assets | 1,871,912 | 1,878,686 |
| Accumulated Depreciation | (709,179) | (611,164) |
| Total Assets | $ 18,290,979 | $ 15,996,408 |

| LIABILITIES AND RETAINED EARNINGS | 1988 | 1987 |
|---|---|---|
| Accounts Payable | $ 282,208 | $ 241,716 |
| Deferred Revenue from Advance Sales | 234,593 | 277,512 |
| Obligation for Unpaid Prize Awards | 14,693,558 | 11,964,977 |
| Accrued Expenses | 48,964 | 45,231 |
| Due to General Fund | 1,979,228 | 2,339,879 |
| Total Liabilities | $ 17,238,551 | $ 14,869,315 |
| Retained Earnings (Exhibit E-14) | $ 1,052,428 | $ 1,127,093 |
| Total Liabilities and Retained Earnings | $ 18,290,979 | $ 15,996,408 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS Exhibit E-14

## STATE LOTTERY FUND
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Sales (Net of Commissions) | $ 54,880,998 | $ 51,373,220 |
| Interest Earnings | 781,890 | 637,307 |
| Miscellaneous | 4,357 | 21,606 |
| Rental Income | 24,000 | 24,000 |
| Total Revenues | $ 55,691,245 | $ 52,056,133 |
| Expenses: | | |
| Supplies, Materials, and Services | $ 2,851,608 | $ 2,512,838 |
| Prize Awards | 30,712,393 | 27,909,119 |
| Depreciation and Amortization | 110,109 | 118,962 |
| Total Expenses | $ 33,674,110 | $ 30,540,919 |
| Excess of Revenues Over Expenses | $ 22,017,135 | $ 21,515,214 |
| Other Changes in Retained Earnings: | | |
| Transfer to General Fund | 22,091,800 | 21,589,879 |
| Net Decrease in Retained Earnings | $ (74,665) | $ (74,665) |
| Retained Earnings, July 1 | 1,127,093 | 1,201,758 |
| Retained Earnings, June 30 (Exhibit E-13) | $ 1,052,428 | $ 1,127,093 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-15

## STATE LOTTERY FUND
## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Sources of Financial Resources | | |
| Operations: | | |
| Sales | $ 55,015,808 | $ 51,342,330 |
| Total Sources from Operations | $ 55,015,808 | $ 51,342,330 |
| Other Sources: | | |
| Proceeds from Sale of Investments | 48,557,345 | 44,671,345 |
| Investment Earnings and Other Income | 784,361 | 637,120 |
| Total Sources of Financial Resources | $104,357,514 | $ 96,650,795 |
| Uses of Financial Resources | | |
| Operations: | | |
| Prizes Paid | $ 27,983,812 | $ 24,683,803 |
| Supplies, Materials, and Services | 2,952,343 | 2,532,919 |
| Total Uses for Operations | $ 30,936,155 | $ 27,216,722 |
| Other Uses: | | |
| Purchase of Investments | 50,740,498 | 48,275,079 |
| Transfers to General Fund | 22,4[illegible],451 | 21,176,354 |
| Purchase of Fixed Assets | 5,320 | 91,763 |
| Total Uses of Financial Resources | $104,134,424 | $ 96,759,918 |
| Increase (Decrease) in Cash | $ 223,090 | $ (109,123) |
| Cash, July 1 | 78,161 | 187,284 |
| Cash, June 30 (Exhibit E-13) | $ 301,251 | $ 78,161 |

# RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY FUND

(Exhibits E-16, 17, 18)

## Comments

### Organization

Rhode Island Higher Education Assistance Authority (Authority) is a public instrumentality established July 1, 1977 by an Act of the Rhode Island General Assembly. The Authority was created for the purpose of guaranteeing loans to students in eligible institutions and administering other programs of post-secondary student financial assistance assigned by law to the Authority.

The Authority is exempt from Federal and State income taxes.

### Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

The Authority is comprised of two separate divisions. The accounts for both divisions are maintained in accordance with the principles of fund accounting.

#### Nature of Funds

##### Loan Division

Operating Fund - This fund accounts for all transactions relating to the Loan Division's operations as guarantor for loans to students in post-secondary institutions.

##### Scholarship and Grant Division

Operating Fund - This fund accounts for all transactions relating to administration of the Scholarship and Grant Fund and Contract Programs Fund.

Scholarship and Grant Funds - These funds account for all transactions relating to the distribution of State and Federal grants and scholarships. Funds received from the Federal Government for scholarship purposes are required to be matched by State funds.

Contract Programs Fund - This fund accounts for transactions relating to contract agreements entered into by the Authority with various professional schools for the purpose of reserving up to a specified number of spaces for Rhode Island students. The contract agreements provide for a specified fee per student to be paid by the Authority. In turn, the students sign contracts specifying repayment obligations. Payments made by students under the terms of their repayment agreements are deposited to a budgetary fund of the State of Rhode Island, from which the original appropriations were made to fund the contracts. Therefore, the Authority does not carry loans receivables or the related payables to the State for these contract loans on its balance sheet.

## RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY FUND

(Exhibits E-16, 17, 18)

Comments (cont'd.)

### Significant Accounting Policies (cont'd.)

#### Nature of Funds (cont'd.)

The provisions of these contract loans are essentially the same as loans made directly by the Authority. As part of its agreement with recipients, cancellation of a portion of the loan can be obtained if certain conditions have been met. The cost of contract cancellations is included as an operating expense of this fund.

Other Programs Fund - The Employment and Student Services Fund accounts for all transactions regarding work study programs whereby the Authority acts as a liaison between participating students and organizations placing students in over 300 non-profit or governmental agencies. Funds received from participating organizations are restricted for use for work study expenses only. The costs of administering this program are included in a separate budgetary fund called the Employment and Student Services Administrative Fund.

#### Marketable Securities

Marketable securities consist of long-term U.S. Treasury Notes and Government National Mortgage Association Notes and are carried at cost, less amortized discounts and premiums. It is presently management's intention to hold such securities until maturity.

#### Fixed Assets

Fixed assets are stated at cost. The Authority provides for depreciation using the straight-line method, generally over the estimated useful lives of the assets.

#### Revenue from Grants and Appropriations

Revenue from grants and appropriations is recognized to the extent expenditures under such grants have been made.

### Cash, Short-Term Investments and Marketable Securities - Loan Division

The Authority's cash deposits at June 30, 1988 were entirely covered by federal depository insurance. Short-term investments and marketable securities of the Loan Division are shown below. All U.S. Government securities are held by the Authority's custodial banks in the Authority's name.

| | Cost | Market Value |
|---|---|---|
| Short-Term Investments | | |
| Insured Bank Money Market (FDIC) | $ 115,007 | $ 115,007 |
| Mutual Funds - U.S. Government Securities | 1,584,539 | 1,584,539 |
| | $1,699,546 | $1,699,546 |
| Marketable Securities | | |
| U.S. Government Securities | $2,907,615 | $2,926,935 |

## RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY FUND

(Exhibits E-16, 17, 18)

### Comments (cont'd.)

### Fixed Assets

| | 1988 | 1987 |
|---|---|---|
| Land and improvements | $ 222,920 | $ 194,096 |
| Building and improvements | 1,910,047 | 1,812,987 |
| Equipment | 1,364,878 | 1,330,088 |
| | $3,497,845 | $3,337,171 |
| Less accumulated depreciation | 1,085,181 | 772,768 |
| | $2,412,664 | $2,564,403 |

### Loans Receivable

The Loan Division operates two loan programs directed toward students in graduate studies in health-related professions as follows:

| | 1988 | 1987 |
|---|---|---|
| Loans funded by the Authority for which no state funds were appropriated | $1,409,504 | $1,440,475 |
| Loans funded by proceeds for borrowings from the Student Loan Marketing Association (SLMA) | 874,525 | 486,572 |
| | $2,284,029 | $1,927,047 |

The above loans are guaranteed by the Federal government except for $136,000 of loans funded by the Authority and $309,848 funded by SLMA.

The loan agreements for the loans funded by the Authority contain provisions whereby up to 75% of the original loan balance may be forgiven if the student works in and for the State of Rhode Island for a specified period of time. These loans do not bear interest until they enter the repayment phase, which begins nine months after graduation or after the student completes the conditions for forgiveness if they comply with the requirements. Students may also get up to a four-year deferment of principal and interest for being enrolled in an internship or residency program. Loan forgiveness is being recorded in the period in which the conditions are satisfied by the borrower. During 1988 and 1987, forgiveness of loans amounted to $31,270 and $45,150, respectively, and is recorded as an expense in the Contract Programs Fund.

The loans funded by SLMA borrowings are pledged as collateral for the notes payable to SLMA. Upon the student's graduation, the loan is sold to SLMA and the related debt is reduced. However, due to a contractual default regarding the guarantee of certain loans referred to in the following paragraph, the future sale of the loans to SLMA is uncertain. No interest is charged to the students while the Authority holds these loans.

## RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY FUND

(Exhibits E-16, 17, 18)

### Comments (cont'd.)

### Loans Receivable (cont'd.)

In a prior year, the Authority failed to pay required Health Education Assistance Loans (HEAL) insurance premiums to the U. S. Department of Health and Human Services within a regulatory sixty-day period. This failure has resulted in the loss of guarantee insurance coverage on $309,848 of HEAL loans disbursed during the year ended June 30, 1987. The failure to obtain insurance on these loans place the Authority in default under its agreement with SLMA. This default would have allowed SLMA to call for immediate repayment of its loans to the Authority.

During the current year, the Authority reached an agreement with SLMA under which the Authority is maintaining an escrow deposit account of $309,848 with Fleet National Bank as collateral for the loans.

### Notes Payable

The balance of long-term notes payable is as follows:

| | | June 30, | |
|---|---|---|---|
| | | 1988 | 1987 |
| Notes payable to Student Loan Marketing Association payable with interest at 1.25% to 1.5% above the Federal Treasury Bill rate payable quarterly: | Due June 30, 1990 | $176,724 | $176,724 |
| | Due June 30, 1991 | 325,141 | 338,185 |
| | Due June 30, 1992 | 372,660 | |
| Notes payable to Rhode Island Student Loan Authority without interest and no fixed repayment date | | 31,854 | 30,274 |
| | | $906,379 | $545,183 |

Interest on the SLMA notes was paid as follows:

| | 1988 | 1987 |
|---|---|---|
| Rhode Island Student Loan Authority | $ 18,385 | $ 14,500 |
| Contract Programs Fund by state appropriation | 45,985 | |
| | $ 64,370 | $ 14,500 |

Under the agreements with SLMA, the Authority is required to maintain on deposit with Fleet National Bank the sum of $50,000 ($30,000 in 1987).

## Contingencies and Commitments

### Federal audits:

Under the reinsurance agreement with the Federal government, the Authority's accounting records are subject to review and audit by the Federal government. Such audits could lead to requests for reimbursement if terms of the various programs and agreements are not met. It is management's opinion that no material adjustments would result from such audits.

### Reduction of excess cash reserves:

The United States Department of Education (DOE), by letter dated February 16, 1988, notified the Authority of its determination (made pursuant to the provisions of the Omnibus Budget Reconciliation Act of 1987) that the Authority must reduce its reserves by $6,740,725 during fiscal year 1988 and "repay" said amount to DOE, in accordance with subtitle C of Title III of the Act. According to the DOE's decision, it intends to offset the amount sought against pending and future reinsurance claims.

In the opinion of the Authority and its attorney, the DOE's determination of the Authority's "excess cash reserves" has no support in the evidence presented with the Authority's waiver request and the DOE's denial of the waiver was against the evidence and is arbitrary and capricious. The Authority and its attorney are also of the opinion that the legislation authorizing the DOE to require the guarantee agencies to eliminate cash reserves, which was enacted in 1987, is unconstitutional.

The Authority believes that the information submitted to and used by the DOE to determine the amount of the excess cash reserve was incorrect. The Authority is currently in the process of resubmitting corrected information and believes the excess cash reserve, based on the corrected information, will be no more than $1,300,000. No provision has been included in the financial statements as of June 30, 1988 since the Authority feels the ultimate outcome of this matter is undeterminable.

The Authority intends to continue legal action in the United States District Court for Rhode Island to challenge the determination of the DOE, to prevent the recovery of the Authority's reserves, and to have the authorizing legislation declared unconstitutional. The Authority's attorney is of the opinion that there is a strong likelihood of prevailing in such action.

### Rental revenue:

The authority rents the second floor of its building to various tenants under leases expiring through November 1992. The future minimum payments under these agreements to be received by the Authority are as follows:

## Contingencies and Commitments (cont'd.)

Rental revenue: (cont'd.)

| Year ending June 30, | Amount |
|---|---|
| 1989 | $ 99,932 |
| 1990 | 103,575 |
| 1991 | 116,647 |
| 1992 | 64,986 |
| 1993 | 46,072 |
| | $431,212 |

## Restricted Federal Funds

The DOE issued new regulations for the Guaranteed Student Loan (GSL) and Parent Loans for Undergraduate Students (PLUS) Programs which became effective as of December 26, 1986. Essentially, these regulations govern all guaranteed activities of the Loan Division occurring after that date. A restricted fund balance for this activity as of June 30, 1988 was not required because the Authority has a cumulative net loss since the effective date of the new regulations.

## Fund Balance

The Loan Division primarily acts as guarantor for educational loans made to students by lending institutions which have agreed to participate in the Loan Division's program.

The Loan Division has a reinsurance agreement with the Federal government whereby the Federal government reimburses the Loan Division for 100% of amounts expended in the discharge of its guarantor obligations. The agreement contains certain annual limitations, commonly referred to as the "reinsurance trigger", which could reduce the reinsurance amount to as low as 80% for the remainder of any Federal fiscal year.

The "reinsurance trigger" clause states that whenever default claims in any Federal fiscal year exceed 5% and 9%, respectively, of the insured loans that were in repayment at the end of the previous fiscal year, the amount of reinsurance will drop to 90% and 80%, respectively, of the default claims for the balance of the Federal fiscal year. For 1988 and 1987, default claims were less than 5% and reinsurance was 100%.

The Authority has provided an amount equal to 12% of the maximum contingent liability as determined by the Federal "reinsurance trigger" against possible default losses. As of June 30, 1988, there were approximately $335,602,849 ($305,185,291 at June 30, 1987) of outstanding guaranteed loans. Using the "reinsurance trigger" percentages, the Loan Division's maximum contingent liability would be approximately $62,422,000 ($56,765,000 at June 30, 1987). Against this amount a 12% reserve, approximately $7,491,000 ($6,812,000 at June 30, 1987), has been designated for potential payments on defaulted loans.

(Exhibits E-16, 17, 18)

## Comments (cont'd.)

### Administrative Cost Allowance

The Federal Government pays an administrative cost allowance to the Authority based upon a certain formula. For fiscal 1986, certain of these payments were not made and ultimate collectibility is not assured. The Authority did not accrue such income for the period from October, 1985 through June, 1986 due to this uncertainty.

For fiscal 1987, the above described uncertainty was removed and the Authority is currently receiving administrative cost allowances on a quarterly basis. The effect in 1987 has resulted in the inclusion of revenue for seven quarters. (October 1985 thru June 30, 1987).

### Related Party Transactions

The Rhode Island Higher Education Assistance Authority is a related party to the Rhode Island Student Loan Authority (RISLA). RISLA is a public instrumentality created to provide a statewide student loan program through the acquisition of student loans. The Authority owes RISLA $31,854 and $30,274 at June 30, 1988 and 1987, respectively. Also RISLA made interest payments on behalf of the Authority to SLMA on debt of the Authority. Unreimbursed interest payments amounted to $18,385 and $14,500 in 1988 and 1987, respectively.

Within the Authority, the Loan Division received $33,600 of rental income during 1988 from the Scholarship and Grant Division for office space.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-16

## RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| | | Scholarship and Grant Division | | | Totals | |
|---|---|---|---|---|---|---|
| | Loan Division | Scholarship and Grant Funds | Contract Programs Fund | Other Programs Fund | June 30, 1988 | June 30, 1987 |
| ASSETS | | | | | | |
| Cash (Exhibit E-21) | $ 95,957 | $ 1,392 | $ 228,767 | $ 12,097 | $ 338,213 | $ 278,038 |
| Short term investments at cost, which approximates market | 1,699,546 | | | | 1,699,546 | 1,079,556 |
| Marketable securities at cost, which approximates market | 2,907,615 | | | | 2,907,615 | 2,909,705 |
| Receivables and accruals: | | | | | | |
| Reinsurance claims - Federal Government | 717,058 | | | | 717,058 | 1,029,132 |
| Unfiled reinsurance claims | 162,818 | | | | 162,818 | 874,942 |
| Guarantee fees | 7,616 | | | | 7,616 | 10,320 |
| Recoveries in Escrow | 80,875 | | | | 80,875 | 21,037 |
| Interest | 61,004 | | | | 61,004 | 37,542 |
| Interfund receivable | | | | | | 61,415 |
| Administrative cost allowance - Federal Government | 71,614 | | | | 71,614 | 54,864 |
| Loans | 2,284,029 | | | | 2,284,029 | 1,927,047 |
| State of Rhode Island | 85,944 | 14,579 | | | 100,523 | 125,883 |
| Other | 978 | | | | 978 | 5,313 |
| Prepaid Expenses | 38,874 | | | | 38,874 | 34,895 |
| Fixed Assets | 3,497,845 | | | | 3,497,845 | 3,337,171 |
| Accumulated Depreciation | (1,085,181) | | | | (1,085,181) | (772,768) |
| Escrow Deposit | 309,848 | | | | 309,848 | |
| Total Assets | $ 10,936,440 | $ 15,971 | $ 228,767 | $ 12,097 | $ 11,193,275 | $ 11,014,092 |
| LIABILITIES AND RETAINED EARNINGS | | | | | | |
| Vouchers and accounts payable | $ 33,554 | $ | $ | $ 12,097 | $ 45,651 | $ 74,616 |
| Default claims payable | 153,603 | | | | 153,603 | 259,217 |
| Notes payable - long term | 906,379 | | | | 906,379 | 545,183 |
| Payable to Federal government | 313,759 | | | | 313,759 | 125,350 |
| Interfund payable | | | | | | 61,415 |
| Deferred revenue | 24,813 | 14,579 | | | 39,392 | 56 |
| Accrued expenses | | | | | | |
| Total Liabilities | $ 1,432,108 | $ 14,579 | $ | $ 12,097 | $ 1,458,784 | $ 1,065,837 |
| Retained Earnings (Exhibit E-17) | 9,504,332 | 1,392 | 228,767 | | 9,734,491 | 9,948,255 |
| Total Liabilities and Retained Earnings | $ 10,936,440 | $ 15,971 | $ 228,767 | $ 12,097 | $ 11,193,275 | $ 11,014,092 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-17

## RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY FUND
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Fiscal Years Ended June 30, 1988 and 1987

| | | Scholarship and Grant Division | | | | Totals | |
|---|---|---|---|---|---|---|---|
| | Loan Division | Operating Fund | Scholarship and Grant Funds | Contract Programs Fund | Other Programs Fund | June 30, 1988 | June 30, 1987 |
| Revenues: | | | | | | | |
| Intergovernmental Revenues: | | | | | | | |
| State | $ | $ 560,508 | $ 8,960,672 | $ 151,890 | $ 77,628 | $ 9,750,698 | $ 9,258,506 |
| Federal | | | 465,833 | | | 465,833 | 416,954 |
| Guarantee Fees | 385,210 | | | | | 385,210 | 740,216 |
| Administrative Cost Allowance | 348,385 | | | | | 348,385 | 515,838 |
| Interest | 391,275 | | | | | 391,275 | 477,154 |
| Recoveries | 695,866 | | | | | 695,866 | 606,952 |
| Rental | 130,528 | | | | | 130,528 | |
| Contributions from Participating Organizations | | | | | 29,256 | 29,256 | 41,357 |
| Other | 7,777 | | | 107,988 | | 115,765 | 56,768 |
| Total Revenues | $ 1,959,041 | $ 560,508 | $ 9,426,505 | $ 259,878 | $ 106,884 | $ 12,312,816 | $ 12,113,745 |
| Expenses: | | | | | | | |
| Grants, Scholarships, and Contract Programs | $ | $ | $ 9,276,491 | $ 71,890 | $ 30,885 | $ 9,379,266 | $ 8,977,844 |
| Supplies, Materials, and Services | 1,917,068 | 523,984 | | 32,704 | 68,191 | 2,541,947 | 2,263,343 |
| Interest | | | | 45,985 | | 45,985 | |
| Depreciation | 312,413 | | | | | 312,413 | 275,519 |
| Total Expenses | $ 2,229,481 | $ 523,984 | $ 9,276,491 | $ 150,579 | $ 99,076 | $ 12,279,611 | $ 11,516,706 |
| Excess (Deficiency) of Revenues over Expenses | $ (270,440) | $ 36,524 | $ 150,014 | $ 109,299 | $ 7,808 | $ 33,205 | $ 597,039 |
| Interfund Transfers | | (36,524) | (168,622) | (34,015) | (9,437) | (248,598) | (219,790) |
| Other | | | | | 1,629 | 1,629 | |
| Increase (Decrease) in Retained Earnings | $ (270,440) | $ | $ (18,608) | $ 75,284 | $ | $ (213,764) | $ 377,249 |
| Retained Earnings, July 1 | 9,774,772 | | 20,000 | 153,483 | | 9,948,255 | 9,571,006 |
| Retained Earnings, June 30 (Exhibit E-16) | $ 9,504,332 | $ | $ 1,392 | $ 228,767 | $ | $ 9,734,491 | $ 9,948,255 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-18

## RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY FUND
## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Years Ended June 30, 1988 and 1987

| | Loan Division | Scholarship and Grant Division | | | | Totals | |
|---|---|---|---|---|---|---|---|
| | | Operating Fund | Scholarship and Grant Funds | Contract Programs Fund | Other Programs Fund | June 30, 1988 | June 30, 1987 |
| **Sources of Financial Resources** | | | | | | | |
| Operations: | | | | | | | |
| Licenses, Fees, Sales and Services | $ 886,946 | $ | $ | $ | $ 29,256 | $ 916,202 | $ 1,050,055 |
| Federal Grants | | | 459,130 | | | 459,130 | 939,495 |
| Recoveries | 1,811,139 | | | | | 1,811,139 | 606,952 |
| Total Sources from Operations | $ 2,698,085 | $ | $ 459,130 | $ | $ 29,256 | $ 3,186,471 | $ 2,596,502 |
| Other Sources: | | | | | | | |
| Proceeds on Notes Issued | 374,240 | | | | | 374,240 | 358,459 |
| Proceeds from Sale of Investments | 9,424,250 | | | | | 9,424,250 | 1,349,329 |
| Collections | | | | 107,988 | | 107,988 | 47,934 |
| Transfers from General Fund | | 560,508 | 8,960,672 | 151,890 | 77,628 | 9,750,698 | 8,969,401 |
| Investment Earnings and Other Income | 369,903 | | | | | 369,903 | 426,713 |
| Miscellaneous | | | | | | | 53,750 |
| Total Sources of Financial Resources | $ 12,866,478 | $ 560,508 | $ 9,419,802 | $ 259,878 | $ 106,884 | $ 23,213,550 | $ 13,802,088 |
| **Uses of Financial Resources** | | | | | | | |
| Operations: | | | | | | | |
| Supplies, Materials, and Services | $ 1,924,709 | $ 523,984 | $ | $ | $ | $ 2,448,693 | $ 2,148,878 |
| Grants, Scholarships and Contract Programs | | | 9,276,491 | 195,729 | 99,076 | 9,571,296 | 9,033,815 |
| Total Uses for Operations | $ 1,924,709 | $ 523,984 | $ 9,276,491 | $ 195,729 | $ 99,076 | $ 12,019,989 | $ 11,182,693 |
| Other Uses: | | | | | | | |
| Loans Issued | 356,982 | | | | | 356,982 | 266,061 |
| Payment of Debt | 13,044 | | | | | 13,044 | 226,864 |
| Purchase of Investments | 10,044,240 | | | | | 10,044,240 | |
| Interfund Transfers | | 36,524 | 168,622 | 34,015 | 9,437 | 248,598 | |
| Purchase of Fixed Assets | 160,674 | | | | | 160,674 | 2,083,732 |
| Deposits in Escrow | 309,848 | | | | | 309,848 | |
| Total Uses of Financial Resources | $ 12,809,497 | $ 560,508 | $ 9,445,113 | $ 229,744 | $ 108,513 | $ 23,153,375 | $ 13,759,350 |
| Increase (Decrease) in Cash | $ 56,981 | $ | $ (25,311) | $ 30,134 | $ (1,629) | $ 60,175 | $ 42,738 |
| Cash, July 1 | 38,976 | | 26,703 | 198,633 | 13,726 | 278,038 | 235,300 |
| Cash, June 30 (Exhibit E-16) | $ 95,957 | $ | $ 1,392 | $ 228,767 | $ 12,097 | $ 338,213 | $ 278,038 |

# NARRAGANSETT BAY WATER QUALITY MANAGEMENT DISTRICT COMMISSION

(Exhibits E-19, E-20, and E-21)

## Comments

### Organization

Narragansett Bay Water Quality Management District Commission (the Commission) is a public corporation established in 1980 by an Act of the Rhode Island Legislature. The Commission was created for purposes of acquiring, planning, constructing, extending, improving, operating and maintaining publicly-owned wastewater treatment facilities in the District. The District includes the City of Providence and portions of the City of Cranston and Towns of Johnston, North Providence and Lincoln. It would also include any other communities that request service and are accepted by the Commission.

### Basis of Presentation

The accounting policies of the Commission conform to generally accepted accounting principles as applicable to governmental unit proprietary (enterprise) funds. For enterprise funds, the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges. The Commission is receiving significant construction grants from the State and Federal government to upgrade the wastewater treatment facilities, which will not be recovered from user charges.

The financial statements of the Commission have been prepared on the accrual basis. The measurement focus is upon determination of net income.

### Receivables

Grant Related - Balances due from the Environmental Protection Agency and the State of Rhode Island Department of Environmental Management are established upon the submission of completed requisition forms.

User Fees - Fees for sewer usage are billed to the residential customers in advance in July and January annually. Non-residential assessments are billed in arrears quarterly, monthly or annually based upon the extent of normal water consumption.

### Investments

Investments are stated at cost which approximates market.

## NARRAGANSETT BAY WATER QUALITY MANAGEMENT DISTRICT COMMISSION

(Exhibits E-19, E-20, and E-21)

### Comments (cont'd.)

### Fixed Assets

Fixed assets are stated at cost. Fixed assets are depreciated using the straight-line method over the estimated useful lives of the respective assets. Depreciation expense is not provided for assets under construction.

### Income Taxes

The Commission is exempt from Federal and State income taxes.

### Grants

Government grants which are restricted for the acquisition or construction of capital assets are recorded as contributed equity.

### Leases

During 1988 the Commission leased office space at one location which is covered by two separate leases. Both are operating leases expiring in 1991, with minimum lease payments as disclosed below. The rental expense for office leases during the fiscal year ended June 30, 1988 amounted to approximately $160,000.

In addition, the Commission leases certain equipment under operating leases. Total equipment rental expense for the fiscal year ended June 30, 1988 amounted to approximately $62,500.

Future minimum rental payments required under non-cancellable and restricted cancellable operating leases that have initial or remaining lease terms in excess of one year as of June 30, 1988 are:

| | |
|---|---|
| 1989 | $167,206 |
| 1990 | 182,050 |
| 1991 | 194,326 |
| Total Minimum Lease Payments | $543,582 |

## Comments (cont'd.)

### Pension

#### a) Employees' Retirement System of the State of Rhode Island

The classified employees of the Commission are covered by the State of Rhode Island Retirement System. The State system currently requires that the Commission contribute 12.5% of participating employees' compensation during the Plan year and that the employee contribute 7.5% of such compensation. Contributions made by the Commission in fiscal 1988 for this plan amounted to $274,941.

#### b) Simplified Employee Pension Plan (S.E.P. Plan)

The Narragansett Bay Commission's non-classified employees are declared ineligible for participation in the Employee's Retirement System of the State of Rhode Island. In response to the Retirement Boards ruling of ineligibility for non-classified employees, the Narragansett Bay Commission's Board of Commissioners approved a resolution, at the regular business meeting on September 14, 1981, adopting a S.E.P. Plan for its non-classified employees pursuant to Section 408 of the Internal Revenue Code.

The Commissions contribution to the non-classified employees S.E.P. Plan does not exceed those contributions which the Commission would otherwise have been eligible to make into the State Retirement System had the non-classified employees been eligible for said State Retirement System. The Commissions contribution the S.E.P. Plan for the year ended June 30, 1988 amounted to $202,607, representing a contribution rate of 12.5 percent of eligible payroll.

Non-classified employees are eligible for participation in the S.E.P. Plan if they have performed services for no less than six months of the immediately preceding five calendar years for the employer and is at least twenty-one years of age.

The Commission fully funds the annual S.E.P. Plan contribution in February following the end of the plan year (calendar year).

The Narragansett Bay Commission's payroll for employees covered by the S.E.P. Plan was $1,608,448 for the year ended June 30, 1988, the total payroll for the year amounted to $3,177,488.

### Transactions with State of Rhode Island

The Commission is authorized to accept such non-interest bearing loans from the State of Rhode Island as the General Assembly may appropriate. Appropriations authorized for such loans and loans received by the Commission amounted to $200,000 at June 30, 1988. Under the terms of the original appropriations, repayment of the loans is not required until the Commission is self-supporting.

The Commission is further authorized to accept interest bearing advances from the State which are not to exceed $3,000,000. Advances received by the Commission amounted to $3,000,000 at June 30, 1988. The advances received are to be repaid by June 30, 1989.

## Comments (cont'd.)

In November 1980, the voters of the State of Rhode Island authorized the State to issue State general obligation bonds to a maximum of $87,700,000 for purposes of making capital expenditures for system improvements throughout the District. Per the enabling legislation, debt service costs associated with approximately $14,059,000 of these bonds were stipulated to be repaid through user charges. As of June 30, 1987, $17,000,000 of general obligation bond proceeds, had been received from the State. The Commission will repay $1,700,000 (10% of bond proceeds) of these funds to the State with the remaining $15,300,000 (90% of bond proceeds) considered contributed equity to the Commission.

In addition, the State has provided to the Commission certain administrative services, most of which were provided without charge.

A portion of these state general obligation bonds were advance refunded by the state. The Commission accordingly adjusted the carrying value of these advance refunded bonds.

During the current fiscal year the Commission received additional proceeds from two State general obligation bonds aggregating $11,500,000. The proceeds of $6,000,000 received from the State general obligation bonds dated November 15, 1987, are restricted for capital development. The Commission will repay $3,300,000 (55% of bond proceeds) of these funds to the State with the remaining $2,700,000 (45% of bond proceeds) considered equity to the Commission. The proceeds of $5,500,000 received from the State general obligation bonds dated June 15, 1988, are similiarly restricted for capital development. The Commission will repay $3,500,000 (64% of bond proceeds) of the funds to the State with the remaining $2,000,000 (36% of bond proceeds) considered contributed equity to the Commission.

### Mortgage Payable

On July 30, 1986, the Commission acquired a building located at 459 Promenade Street, Providence, Rhode Island for a total cost of $970,000. The Commission carries a mortgage payable to Rhode Island Hospital Trust for $940,592 at 81% of the prime interest rate until 2001. The current portion of the long-term debt is $32,487.

### Advance Refunding of Long-term Debt

During the current fiscal year, the State of Rhode Island entered into an "advance refunding" of the State's 1984 General Obligation Bond, due May 1, 2004 at 8.5 percent. The Narragansett Bay Commission's portion of this refunded General Obligation Bond amounted to $240,000 (10 percent) as of February 15, 1988.

# NARRAGANSETT BAY WATER QUALITY MANAGEMENT DISTRICT COMMISSION

(Exhibits E-19, E-20, and E-21)

## Comments (cont'd.)

### Advance Refunding of Long-term Debt (cont'd.)

The existing long term debt was refunded as part of the State of Rhode Island Refunding Bond Authority Revenue Bonds 1988 Series A dated February 15, 1988 with an average coupon of 6.354 percent, interest payable semi-annually, principal due annually on May 1, 1988-2003. The advance refunding was undertaken to achieve an economic savings due to the lower interest rates available. The proceeds of the refunding bond issue were placed in an irrevocable escrow account to fund the debt service requirements of the defeased bond issue.

Although the advance refunding resulted in the recognition of an accounting loss of $30,000 for the fiscal year ended June 30, 1988, the Commission in effect reduced its aggregate debt service payments by $13,631 over the life of the bond and obtained an economic gain (the difference between the present values of the old and new debt service payments) of $2,837.

DEBT SERVICE COMPARISON SCHEDULE

| | New Debt Service | Old Debt Service | Favorable (Unfavorable) Difference |
|---|---|---|---|
| | $404,265 | $417,896 | $13,631 |
| Present Value Using True Interest Cost 6.353813% | $270,081 | $272,918 | $ 2,837 |

In 1987, the City of Providence defeased two bonds in a manner similar to that described above. As of June 30, 1988, the Commission's share of these bonds which remain outstanding is $6,965,400.

### Long-term Debt

| | |
|---|---|
| Commission portion of the State's 1985 General Obligation bond maturing in June of 2005, interest payable at 7.31% | $1,190,000 |
| Commission portion of the State's 1988 Refunding Authority Revenue Bonds - Series A maturing on May 1, 1988 - 2003 interest due at 6.354% | $ 265,000 |
| Commission portion of the State's 1987 General Obligation Bonds - Series A dated November 15, 1987, maturing December 15, 2007 with various interest 6.7% - 7.5% | $3,300,000 |
| Commission portion of the State's 1987 General Obligation Bond, dated June 15, 1988, maturing December 15, 2008 with various interest 6.9% - 7.6% | $3,500,000 |

## NARRAGANSETT BAY WATER QUALITY MANAGEMENT DISTRICT COMMISSION
(Exhibits E-19, E-20, and E-21)

## Comments (cont'd.)

Maturities of long-term debt in fiscal years 1989 through 1994 are $1,003,663, $1,201,972, $1,239,655, $1,279,898, $1,324,594 and $1,364,964 respectively.

### Prior Period Adjustments

Certain adjustments have been made to the retained earnings account balance reported at June 30, 1987 which represent subsequent adjustments which are summarized as follows:

| | |
|---|---|
| Prior year expenditures reclassified to capital projects account | $ 31,198 |

### Commitments

The Commission has entered into various engineering and construction contracts for the design and improvement of its facilities as part of a capital improvement program. Commitments under these contracts aggregated approximately $17,203,826 at June 30, 1988.

Funding for the various capital improvement programs is provided by Federal grants (currently 75% of eligible project costs) and grants from the State of Rhode Island (currently 15% of eligible project costs) for sewer projects eligible under the Clean Water Act of 1972 as amended. The local share of eligible projects and the cost of work not qualifying under these grant programs will be funded by the Commission and State general obligation bonds.

### Contingencies

#### (a) Litigation

During the ordinary course of its operations, the Commission is a party to various claims, legal actions and complaints. In the opinion of the Commission's management and legal counsel, these matters are not anticipated to have a material financial impact on the Commission.

#### (b) Grants

The Commission has received grants from the United States Environmental Protection Agency and the Rhode Island Department of Environmental Management for specific purposes under the Clean Water Act of 1972 as the grantor agency. Expenditures under the Act are subject to review and audit by the grantor agency. Such audits could lead to request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Commission officials are of the opinion that such disallowance, if any, would be immaterial.

## NARRAGANSETT BAY WATER QUALITY MANAGEMENT DISTRICT COMMISSION

(Exhibits E-19, E-20, and E-21)

### Comments (cont'd.)

### User Billing

At its 1983 session, the Rhode Island General Assembly enacted Public Law 1983, Chapter 235 which amended the Commission's enabling legislation (Title 46, Chapter 25 of the General Laws). The amendment required that the Commission institute a retail billing system with rates and fees subject to review and approval by the Rhode Island Public Utilities Commission. The retail billing system went into effect July 1, 1985.

### Cash and Investments

Investments of the Commission are made by the General Treasurer's office, by state statute, which determines funding levels necessary and amounts available for investing purposes. The Commission's investments at year end are shown below. All commercial paper and certificates of deposits are uncollateralized, uninsured and unregistered. Cash deposits at June 30, 1988, were covered by federal depository insurance up to $100,000.

| | CARRYING AMOUNT | MARKET VALUE |
|---|---|---|
| Commercial paper | $ 3,200,000 | $ 3,200,000 |
| Certificates of deposit | 8,200,000 | 8,200,000 |
| TOTAL INVESTMENTS | $11,400,000 | $11,400,000 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-19

## NARRAGANSETT BAY WATER QUALITY MANAGEMENT DISTRICT COMMISSION FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | 1988 | 1987 |
|---|---|---|
| Cash (Exhibit E-21) | $ 268,802 | $ |
| Investments | 11,400,000 | 825,000 |
| Receivables: | | |
| Accounts (Net of allowance for doubtful accounts of $383,768 for 1988; $364,825 for 1987) | 4,413,328 | 4,110,880 |
| Accrued Interest | 5,126 | 146 |
| Other | | 2,880 |
| Due from Other Governments | 1,933,237 | 1,702,076 |
| Due from Other Funds | 514,777 | 330,080 |
| Prepaid Expenses | 36,329 | 77,247 |
| Land | 1,254,400 | 1,254,400 |
| Fixed Assets | 13,122,642 | 13,005,800 |
| Accumulated Depreciation | (8,692,044) | (7,165,478) |
| Construction in Progress | 64,161,746 | 53,158,046 |
| Total Assets | $ 88,418,343 | $ 67,301,077 |

| LIABILITIES AND FUND EQUITY | 1988 | 1987 |
|---|---|---|
| Liabilities: | | |
| Cash Overdraft | $ 2,278,252 | $ 211,289 |
| Accounts Payable | 2,704,578 | 3,500,635 |
| Accrued Liabilities | 804,169 | 1,184,704 |
| Due to General Fund | 3,219,583 | 3,217,392 |
| Notes Payable | 940,592 | 970,000 |
| Revenue Bonds Payable | 7,990,000 | 1,515,000 |
| Loans Payable | 8,520,512 | 8,995,576 |
| Total Liabilities | $ 26,457,686 | $ 19,594,596 |
| Fund Equity: | | |
| Contributions for Construction | $ 66,271,931 | $ 53,031,150 |
| Deficit | (4,311,274) | (5,324,669) |
| Total Fund Equity | $ 61,960,657 | $ 47,706,481 |
| Total Liabilities and Fund Equity | $ 88,418,343 | $ 67,301,077 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-20

## NARRAGANSETT BAY WATER QUALITY MANAGEMENT DISTRICT COMMISSION FUND
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT)

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Sewer Assessments | $ 12,089,339 | $ 10,452,402 |
| Interest and Penalties | 332,172 | 119,909 |
| Miscellaneous | 328 | 690 |
| Total Revenues | $ 12,421,839 | $ 10,573,001 |
| Expenses: | | |
| Supplies, Materials, and Services | $ 8,356,959 | $ 6,967,392 |
| Depreciation | 1,527,160 | 1,523,323 |
| Interest on Bonds and Notes | 1,164,571 | 967,812 |
| Other | 383,557 | 503,942 |
| Total Expenses | $ 11,432,247 | $ 9,962,469 |
| Excess of Revenues over Expenses | $ 989,592 | $ 610,532 |
| Other Changes in Retained Earnings (Deficit): | | |
| Depreciation Charged to Contributed Capital | 22,605 | 22,605 |
| Loss on Defeasance of Debt | (30,000) | (1,539,986) |
| Net Increase (Decrease) in Retained Earnings | $ 982,197 | $ (906,849) |
| Deficit, July 1 | $ (5,324,669) | $ (4,428,066) |
| Prior Period Adjustment | 31,198 | 10,246 |
| Deficit, July 1, Restated | $ (5,293,471) | $ (4,417,820) |
| Deficit, June 30 (Exhibit E-19) | $ (4,311,274) | $ (5,324,669) |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-21

## NARRAGANSETT BAY WATER QUALITY MANAGEMENT DISTRICT COMMISSION FUND
## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| **Sources of Financial Resources** | | |
| Operation: | | |
| Collection of Sewer Assessments | $ 11,962,527 | $ 8,207,712 |
| Total Sources from Operations | $ 11,962,527 | $ 8,207,712 |
| Other Sources: | | |
| Contributed Capital: | | |
| Federal | 6,920,541 | 5,186,900 |
| State | 5,926,987 | 1,008,453 |
| Proceeds on Bonds Issued | 6,800,000 | |
| Proceeds on Notes Issued | | 970,000 |
| Proceeds from Advance Refunding Bonds | 270,000 | 9,133,031 |
| Proceeds from Sale of Investments | 126,125,125 | 60,540,000 |
| Advances from General Fund | 2,000,000 | |
| Investment Earnings and Other Income | 151,884 | 26,838 |
| Increase in Cash Overdraft | 2,066,963 | 211,289 |
| Miscellaneous | 2,880 | |
| Total Sources of Financial Resources | $ 162,226,907 | $ 85,284,223 |
| **Uses of Financial Resources** | | |
| Operations: | | |
| Supplies, Materials, and Services | $ 10,673,410 | $ 8,065,675 |
| Total Uses for Operations | $ 10,673,410 | $ 8,065,675 |
| Other Uses: | | |
| Additions to Fixed Assets | 11,455,098 | 10,928,606 |
| Redemption of Notes | | 85,000 |
| Payment to Escrow Holder and Cost of Issuance | 270,000 | 9,133,031 |
| Return of Advances from General Fund | 2,000,000 | |
| Purchase of Investments | 136,700,125 | 55,715,000 |
| Debt Service | 859,472 | 777,332 |
| Total Uses of Financial Resources | $ 161,958,105 | $ 84,704,644 |
| Increase in Cash | $ 268,802 | $ 579,579 |
| Cash, July 1 | | (579,579) |
| Cash, June 30 (Exhibit E-19) | $ 268,802 | $ |

# FINANCIAL SECTION

Exhibit/
Schedule

PROPRIETARY FUND TYPES

INTERNAL SERVICE FUNDS:

Combining Balance Sheets........................................... F-1

Combining Statement of Revenues, Expenses, and
Changes in Retained Earnings........................................... F-2

Combining Statement of Changes in Financial Position..................... F-3

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit F-1-1

### COMBINING BALANCE SHEETS
### ALL INTERNAL SERVICE FUNDS

June 30, 1988

| ASSETS | State Planning Services | Workers' Compensation | Rhode Island Industrial Homework | Central Utilities | Central Services | Correctional Industries |
|---|---|---|---|---|---|---|
| Cash with General Treasurer (Exhibit F-3) | $441,043 | $ 1,283,915 | $ 1,126 | $1,697,455 | $1,125,721 | $ 199,915 |
| Imprest Cash | | | 1,500 | | 50 | |
| Investments | | | | | | |
| Accounts Receivable (Net) | 10,192 | 52,874 | | 811,546 | 292,971 | 122,356 |
| Due from General Fund | | | | | | |
| Inventories, at Cost | | | | | 44,661 | 184,072 |
| Prepaid Expenses | 189 | | | | | |
| Fixed Assets | | | | | | |
| Accumulated Depreciation | | | | | | |
| Total Assets | $451,424 | $ 1,336,789 | $ 2,626 | $2,509,001 | $1,463,403 | $ 506,343 |
| **LIABILITIES AND FUND EQUITY** | | | | | | |
| Liabilities: | | | | | | |
| Advance from General Fund - Working Capital | $350,000 | $ 1,000,000 | $ 2,500 | $ 100,000 | $ 950,000 | $ 400,000 |
| Accounts and Vouchers Payable | 31,829 | 328,671 | | 2,351,429 | 167,376 | 80,071 |
| Accrued Expenses | 53,059 | 16,632 | | 7,712 | 119,463 | 10,933 |
| Total Liabilities | $434,888 | $ 1,345,303 | $ 2,500 | $2,459,141 | $1,236,839 | $ 491,004 |
| Fund Equity: | | | | | | |
| Equity in Fixed Assets | $ | $ | $ | $ | $ | $ |
| Reserved for Program Extension - Federal Food Commodities | | | | | | |
| Retained Earnings (Deficit) (Exhibit F-2): | | | | | | |
| Reserved for Purchase and/or Replacement of Motor Vehicles | | | | | | |
| Reserved for Expansion, Development and Capital Purchases | | | | | | 65,821 |
| Unreserved | 16,536 | (8,514) | 126 | 49,860 | 226,564 | (50,482) |
| Total Fund Equity | $ 16,536 | $ (8,514) | $ 126 | $ 49,860 | $ 226,564 | $ 15,339 |
| Total Liabilities and Fund Equity | $451,424 | $ 1,336,789 | $ 2,626 | $2,509,001 | $1,463,403 | $ 506,343 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit F-1-2

### COMBINING BALANCE SHEETS
### ALL INTERNAL SERVICE FUNDS

### JUNE 30, 1988

| | Special Facilities | | | | Automotive Equipment | | General Services | | Totals | |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | Central Pharmacy | Food Processing | Central Laundry | Forand Building Cafeteria | Maintenance | Equipment | Stores | Federal Programs | June 30, 1988 | June 30, 1987 |
| Cash with General Treasurer (Exhibit F-3) | $397,859 | $ 523,073 | $127,318 | $ 18,179 | $ 658,445 | $ 45,687 | $374,051 | $215,880 | $ 7,109,667 | $ 6,205,459 |
| Imprest Cash | | | | | | | | | 1,550 | 1,550 |
| Investments | | | | | | | | | | 350,000 |
| Accounts Receivable (Net) | | | | | 14,676 | | 7,045 | 17,821 | 1,329,481 | 946,546 |
| Due from General Fund | | | | | | 885,727 | | | 885,727 | 656,741 |
| Inventories, at Cost | 209,306 | 348,721 | 182,096 | 3,572 | 153,213 | | 411,993 | 44,125 | 1,581,759 | 1,717,995 |
| Prepaid Expenses | | | | | | | | | 139 | 431 |
| Fixed Assets | | | | | | 6,810,227 | | | 6,810,227 | 6,272,254 |
| Accumulated Depreciation | | | | | | (3,429,913) | | | (3,429,913) | (3,205,397) |
| Total Assets | $607,165 | $ 871,794 | $309,414 | $ 21,751 | $ 826,334 | $ 4,311,728 | $793,089 | $277,826 | $ 14,288,687 | $ 12,945,579 |
| LIABILITIES AND FUND EQUITY | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Advance from General Fund - Working Capital | $250,000 | $ 475,000 | $250,000 | $ 5,000 | $ 300,000 | $ | $650,000 | $ | $ 4,732,500 | $ 4,182,500 |
| Accounts and Vouchers Payable | 288,946 | 366,901 | 20,230 | 2,373 | 509,312 | 138,283 | 218,972 | 99,590 | 4,603,983 | 3,982,913 |
| Accrued Expenses | 5,702 | 19,074 | 21,193 | | 13,314 | | 14,915 | 3,238 | 285,235 | 214,965 |
| Total Liabilities | $544,648 | $ 860,975 | $291,423 | $ 7,373 | $ 822,626 | $ 138,283 | $883,887 | $102,828 | $ 9,621,718 | $ 8,380,378 |
| Fund Equity: | | | | | | | | | | |
| Equity in Fixed Assets | $ | $ | $ | $ | $ | $ 3,380,314 | $ | $ | $ 3,380,314 | $ 3,066,857 |
| Reserved for Program Extension - Federal Food Commodities | | | | | | | | 174,998 | 174,998 | 170,607 |
| Retained Earnings (Deficit) (Exhibit F-2): | | | | | | | | | | |
| Reserved for Purchase and/or Replacement of Motor Vehicles | | | | | | 793,131 | | | 793,131 | 994,727 |
| Reserved for Expansion, Development and Capital Purchases | | | | | | | | | 65,821 | 83,398 |
| Unreserved | 62,517 | 10,819 | 17,991 | 14,378 | 3,708 | | (90,798) | | 252,705 | 249,612 |
| Total Fund Equity | $ 62,517 | $ 10,819 | $ 17,991 | $ 14,378 | $ 3,708 | $ 4,173,445 | $(90,798) | $174,998 | $ 4,666,969 | $ 4,565,201 |
| Total Liabilities and Fund Equity | $607,165 | $ 871,794 | $309,414 | $ 21,751 | $ 826,334 | $ 4,311,728 | $793,089 | $277,826 | $ 14,288,687 | $ 12,945,579 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit F-2-1

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
## ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1988

| | State Planning Services | Workers' Compensation | Rhode Island Industrial Homework | Central Utilities | State House Restaurant | Central Services | Correctional Industries | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Operating Fund | Capital Reserve |
| Operating Revenues: | | | | | | | | |
| Sale of Materials, Supplies, and Services | $2,133,001 | $17,381,574 | $ | $11,754,557 | $ | $8,616,531 | $ 1,139,104 | $ |
| Passenger Car Replacement Charges | | | | | | | | |
| Investment Income | | | | | | | | |
| Total Operating Revenue | $2,133,001 | $17,381,574 | $ | $11,754,557 | $ | $8,616,531 | $ 1,139,104 | $ |
| Operating Expenses: | | | | | | | | |
| Cost of Materials Used: | | | | | | | | |
| Inventory, July 1 | $ | $ | $ | $ | $ | $ 39,472 | $ 226,886 | $ |
| Net Purchases | | 16,563,344 | | 11,396,981 | | 1,564,100 | 571,627 | |
| Total | $ | $16,563,344 | $ | $11,396,981 | $ | $1,603,572 | $ 798,513 | $ |
| Inventory, June 30 | | | | | | 44,661 | 184,072 | |
| Total Cost of Materials Used | $ | $16,563,344 | $ | $11,396,981 | $ | $1,558,911 | $ 614,441 | $ |
| Other Operating Expenses: | | | | | | | | |
| Personal Services | 1,447,874 | 382,058 | | 188,376 | | 2,978,517 | 257,007 | |
| Employee Benefit Programs | 401,318 | 120,695 | | 66,765 | | 918,617 | 86,880 | |
| Supplies and Services | 284,773 | 339,361 | | 57,575 | | 2,961,422 | 231,258 | 17,577 |
| Total Operating Expenses | $2,133,965 | $17,405,458 | $ | $11,709,697 | $ | $8,417,467 | $ 1,189,586 | $ 17,577 |
| Net Operating Income (Loss) | $ (964) | $ (23,884) | $ | $ 44,860 | $ | $ 199,064 | $ (50,482) | $ (17,577) |
| Other Changes in Retained Earnings: | | | | | | | | |
| Deficit Reimbursement (Earnings Transfer) - General Fund | (1,785) | | | (121,076) | 43,519 | (22,009) | (14,727) | |
| Net Increase (Decrease) in Retained Earnings | $ (2,749) | $ (23,884) | $ | $ (76,216) | $ 43,519 | $ 177,055 | $ (65,209) | $ (17,577) |
| (1)Retained Earnings (Deficit), July 1 | 19,285 | 15,370 | 126 | 126,076 | (43,519) | 49,509 | 14,727 | 83,398 |
| (1)Retained Earnings (Deficit), June 30 (Exhibit F-1) | $ 16,536 | $ (8,514) | $ 126 | $ 49,860 | $ | $ 226,564 | $ (50,482) | $ 65,821 |

(1) Includes Retained Earnings reserved for: 1) capital expenditures, expansion and development of Correctional Industries, and 2) purchase and/or replacement of motor vehicles.

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

EXHIBIT F-2-2

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
## ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1988

| | Special Facilities | | | | Automotive Equipment | | | Totals | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Year Ended | |
| | Central Pharmacy | Food Processing | Central Laundry | Forand Building Cafeteria | Maintenance | Equipment | General Services | June 30, 1988 | June 30, 1987 |
| Operating Revenues: | | | | | | | | | |
| Sale of Materials, Supplies, and Services | $2,880,934 | $3,290,982 | $1,306,116 | $ 66,781 | $7,132,361 | $ | $5,335,184 | $ 61,037,125 | $ 56,504,854 |
| Passenger Car Replacement Charges | | | | | | 557,329 | | 557,329 | 947,752 |
| Investment Income | | | | | | 18,811 | | 18,811 | 23,206 |
| Total Operating Revenue | $2,880,934 | $3,290,982 | $1,306,116 | $ 66,781 | $7,132,361 | $ 576,140 | $5,335,184 | $ 61,613,265 | $ 57,475,812 |
| Operating Expenses: | | | | | | | | | |
| Cost of Materials Used: | | | | | | | | | |
| Inventory, July 1 | $ 219,065 | $ 298,733 | $ 179,236 | $ 3,195 | $ 144,571 | $ | $ 540,178 | $ 1,651,336 | $ 1,658,681 |
| Net Purchases | 2,572,458 | 2,402,675 | 292,417 | 47,328 | 6,373,690 | | 4,799,382 | 46,584,002 | 43,688,452 |
| Total | $2,791,523 | $2,701,408 | $ 471,653 | $ 50,523 | $6,518,261 | $ | $5,339,560 | $ 48,235,338 | $ 45,347,133 |
| Inventory, June 30 | 209,306 | 348,721 | 182,096 | 3,572 | 153,213 | | 411,993 | 1,537,634 | 1,651,336 |
| Total Cost of Materials Used | $2,582,217 | $2,352,687 | $ 289,557 | $ 46,951 | $6,365,048 | $ | $4,927,567 | $ 46,697,704 | $ 43,695,797 |
| Other Operating Expenses: | | | | | | | | | |
| Personal Services | 165,242 | 503,997 | 567,755 | | 325,856 | | 336,011 | 7,152,693 | 6,210,080 |
| Employee Benefit Programs | 54,612 | 172,517 | 185,863 | | 114,176 | | 107,872 | 2,229,315 | 1,821,652 |
| Supplies and Services | 28,846 | 210,922 | 255,377 | 5,702 | 338,573 | 777,737 | 54,532 | 5,563,655 | 5,298,510 |
| Total Operating Expenses | $2,830,917 | $3,240,123 | $1,298,552 | $ 52,653 | $7,143,653 | $ 777,737 | $5,425,982 | $ 61,643,367 | $ 57,026,039 |
| Net Operating Income (Loss) | $ 50,017 | $ 50,859 | $ 7,564 | $ 14,128 | $ (11,292) | $(201,597) | $ (90,798) | $ (30,102) | $ 449,773 |
| Other Changes in Retained Earnings: | | | | | | | | | |
| Deficit Reimbursement (Earnings Transfer) - General Fund | (75,296) | | | (15,030) | (25,542) | | 45,967 | (185,979) | (235,705) |
| Net Increase (Decrease) in Retained Earnings | $ (25,279) | $ 50,859 | $ 7,564 | $ (902) | $ (36,834) | $(201,597) | $ (44,831) | $ (216,081) | $ 214,068 |
| (1)Retained Earnings (Deficit), July 1 | 87,796 | (40,040) | 10,427 | 15,280 | 40,542 | 994,728 | (45,967) | 1,327,738 | 1,113,670 |
| (1)Retained Earnings (Deficit), June 30 (Exhibit F-1) | $ 62,517 | $ 10,819 | $ 17,991 | $ 14,378 | $ 3,708 | $ 793,131 | $ (90,798) | $ 1,111,657 | $ 1,327,738 |

EXHIBIT F-3-1

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
## ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1988

| | State Planning Services | Workers' Compensation | Rhode Island Industrial Homework | Central Utilities | State House Restaurant | Central Services | Correctional Industries |
|---|---|---|---|---|---|---|---|
| Sources of Financial Resources: | | | | | | | |
| Operations: | | | | | | | |
| Sale of Materials, Supplies, and Services | $2,138,537 | $17,323,451 | $ | $11,713,093 | $ 517 | $8,325,112 | $ 1,132,729 |
| Transfer from General Fund - Replacement Charge - Motor Vehicles | | | | | | | |
| Miscellaneous Receipts | | 5,225 | | | | 8,550 | |
| Refund of Expenditures | 8,632 | 405 | | 3,582 | 6,834 | 15,365 | 32,985 |
| Total Sources From Operations | $2,147,169 | $17,329,081 | $ | $11,716,675 | $ 7,351 | $8,349,027 | $ 1,165,714 |
| Other Sources: | | | | | | | |
| Advances from General Fund | | 200,000 | | | | 400,000 | |
| Deficit Reimbursed by General Fund | | | | | 43,519 | | |
| Investment Earnings | | | | | | | |
| Investments Sold and Matured | | | | | | | |
| Total Sources of Financial Resources | $2,147,169 | $17,529,081 | $ | $11,716,675 | $ 50,870 | $8,749,027 | $ 1,165,714 |
| Uses of Financial Resources: | | | | | | | |
| Operations: | | | | | | | |
| Personal Services and Employee Benefit Programs | $1,842,701 | $ 497,943 | $ | $ 253,202 | $ 8,688 | $3,856,730 | $ 355,867 |
| Supplies, Materials, and Services | 281,868 | 16,958,324 | | 10,817,894 | | 4,633,280 | 859,952 |
| Purchase and/or Replacement of Motor Vehicles | | | | | | | |
| Refund of Receipts | 769 | | | | | | |
| Total Uses for Operations | $2,125,338 | $17,456,267 | $ | $11,071,096 | $ 8,688 | $8,490,010 | $ 1,215,819 |
| Other Uses: | | | | | | | |
| Transfer to General Fund | 1,785 | | | 121,076 | 50,000 | 22,009 | 14,727 |
| Investments Purchased | | | | | | | |
| Total Uses of Financial Resources | $2,127,123 | $17,456,267 | $ | $11,192,172 | $ 58,688 | $8,512,019 | $ 1,230,546 |
| Increase (Decrease) in Cash | $ 20,046 | $ 72,814 | $ | $ 524,503 | $ (7,818) | $ 237,008 | $ (64,832) |
| Cash, July 1 | 420,997 | 1,211,101 | 1,126 | 1,172,952 | 7,818 | 888,713 | 264,747 |
| Cash, June 30 (Exhibit F-1) | $ 441,043 | $ 1,283,915 | $ 1,126 | $ 1,697,455 | $ | $1,125,721 | $ 199,915 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

EXHIBIT F-3-2

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
## ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1988

| | | Automotive Equipment | | General Services | | Totals | |
|---|---|---|---|---|---|---|---|
| | | | | | | Year Ended | |
| | Special Facilities | Maintenance | Equipment | Stores | Federal Program | June 30, 1988 | June 30, 1987 |
| **Sources of Financial Resources:** | | | | | | | |
| Operations: | | | | | | | |
| Sale of Materials, Supplies, and Services | $7,568,871 | $7,124,013 | $ | $5,330,378 | $1,468,692 | $ 62,125,393 | $ 58,085,110 |
| Transfer from General Fund - Replacement Charge - Motor Vehicles | | | 328,343 | | | 328,343 | 860,963 |
| Miscellaneous Receipts | 2,753 | 1,467 | | 49 | | 18,044 | 3,611 |
| Refund of Expenditures | 9,517 | 16,672 | | | 4,553 | 98,545 | 65,554 |
| Total Sources From Operations | $7,581,141 | $7,142,152 | $ 328,343 | $5,330,427 | $1,473,245 | $ 62,570,325 | $ 59,015,238 |
| Other Sources: | | | | | | | |
| Advances from General Fund | | | | | | 600,000 | 355,000 |
| Deficit Reimbursed by General Fund | | | | 45,967 | | 89,486 | 106,121 |
| Investment Earnings | | | 18,811 | | | 18,811 | 23,206 |
| Investments Sold and Matured | | | 9,800,000 | | | 9,800,000 | 6,600,000 |
| Total Sources of Financial Resources | $7,581,141 | $7,142,152 | $10,147,154 | $5,376,394 | $1,473,245 | $ 73,078,622 | $ 66,099,565 |
| **Uses of Financial Resources:** | | | | | | | |
| Operations: | | | | | | | |
| Personal Services and Employee Benefit Programs | $1,645,845 | $ 434,166 | $ | $ 439,395 | $ 96,083 | $ 9,430,620 | $ 8,028,311 |
| Supplies, Materials, and Services | 5,629,607 | 6,883,100 | | 4,916,772 | 1,327,774 | 52,308,571 | 49,749,974 |
| Purchase and/or Replacement of Motor Vehicles | | | 658,988 | | | 658,988 | 691,491 |
| Refund of Receipts | | | | | | 769 | 9,406 |
| Total Uses for Operations | $7,275,452 | $7,317,266 | $ 658,988 | $5,356,167 | $1,423,857 | $ 62,398,948 | $ 58,479,182 |
| Other Uses: | | | | | | | |
| Transfer to General Fund | 90,327 | 25,542 | | | | 325,466 | 341,826 |
| Investments Purchased | | | 9,450,000 | | | 9,450,000 | 6,550,000 |
| Total Uses of Financial Resources | $7,365,779 | $7,342,808 | $10,108,988 | $5,356,167 | $1,423,857 | $ 72,174,414 | $ 65,371,008 |
| Increase (Decrease) in Cash | $ 215,362 | $ (200,656) | $ 38,166 | $ 20,227 | $ 49,388 | $ 904,208 | $ 728,557 |
| Cash, July 1 | 851,067 | 859,101 | 7,521 | 353,824 | 166,492 | 6,205,459 | 5,476,902 |
| Cash, June 30 (Exhibit F-1) | $1,066,429 | $ 658,445 | $ 45,687 | $ 374,051 | $ 215,880 | $ 7,109,667 | $ 6,205,459 |

# FINANCIAL SECTION

Exhibit/
Schedule

## TRUST AND AGENCY FUNDS:

Combining Balance Sheets .......... G-1

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .......... G-2

Retirement Funds

Combining Balance Sheets .......... G-3

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .......... G-4

Trust and Agency Funds - Other

Combining Balance Sheets .......... G-5

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) .......... G-6

Custodial Funds - State Institutions

Balance Sheets .......... G-7

Statement of Revenues, Expenditures, and Changes in Fund Balances .......... G-8

Statement of Imprest Cash Funds .......... G-9

Payroll and Pension Clearing Fund

Balance Sheets .......... G-10

Statement of Revenues, Expenditures, and Changes in Fund Balances .......... G-11

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-1

## COMBINING BALANCE SHEETS
## ALL TRUST AND AGENCY FUNDS

June 30, 1988

|  | Retirement (G-3) | Other (G-5) | Custodial Funds - State Institutions (G-7) | Payroll and Pension Clearing (G-10) | Totals |  |
|---|---|---|---|---|---|---|
|  |  |  |  |  | June 30, 1988 | June 30, 1987 |
| ASSETS |  |  |  |  |  |  |
| Cash | $ 5,902,978 | $ 517,058 | $ 38,291 | $ 1,127,948 | $ 7,586,275 | $ 2,730,406 |
| Imprest Cash |  |  | 165,290 |  | 165,290 | 167,790 |
| Investments | 1,581,745,085 | 3,662,848 | 1,800,000 | 5,800,000 | 1,593,007,933 | 1,386,431,303 |
| Accounts Receivable |  | 120,830 |  |  | 120,830 | 115,347 |
| Deferred Compensation Held by Insurance Companies |  |  |  | 38,118,128 | 38,118,128 | 34,248,255 |
| Total Assets | $1,587,648,063 | $ 4,300,736 | $ 2,003,581 | $45,046,076 | $1,638,998,456 | $1,423,693,101 |
| LIABILITIES AND FUND BALANCES |  |  |  |  |  |  |
| Liabilities: |  |  |  |  |  |  |
| Vouchers and Accounts Payable | $ 71,276 | $ 1,231,088 | $ 127,909 | $ 2,108,212 | $ 3,538,485 | $ 2,748,185 |
| Accrued Payroll and Fringe Benefits |  | 6,059 |  |  | 6,059 | 4,270 |
| Custodial Accounts |  |  | 1,525,789 |  | 1,525,789 | 1,656,230 |
| Federal Government - FICA, Income Taxes, and Savings Bonds |  |  |  | 1,544,213 | 1,544,213 | 1,550,186 |
| Obligations Under Reverse Repurchase Agreements |  |  |  |  |  | 10,459,000 |
| State Employees - Deferred Compensation Program |  |  |  | 38,118,128 | 38,118,128 | 34,248,255 |
| Insurance Carriers and Others |  |  |  | 2,971,111 | 2,971,111 | 2,544,452 |
| Other Liabilities | 1,384,060 |  |  |  | 1,384,060 |  |
| Total Liabilities | $ 1,455,336 | $ 1,237,147 | $ 1,653,698 | $44,741,664 | $ 49,087,845 | $ 53,210,578 |
| Fund Balances: |  |  |  |  |  |  |
| Reserved for Group Life Insurance | $ | $ | $ | $ 63,718 | $ 63,718 | $ 38,659 |
| Disability Self-Insurance Reserve Group Life Insurance |  |  |  | 240,694 | 240,694 | 261,868 |
| Reserved for Encumbrances |  |  | 38,251 |  | 38,251 | 7,789 |
| Reserved for Pension Benefits | 1,586,192,727 |  |  |  | 1,586,192,727 | 1,366,514,088 |
| Unreserved |  | 3,063,589 | 311,632 |  | 3,375,221 | 3,660,119 |
| Total Fund Balances (Exhibit G-2) | $1,586,192,727 | $ 3,063,589 | $ 349,883 | $ 304,412 | $1,589,910,611 | $1,370,482,523 |
| Total Liabilities and Fund Balances | $1,587,648,063 | $ 4,300,736 | $ 2,003,581 | $45,046,076 | $1,638,998,456 | $1,423,693,101 |

Exhibit G-2

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL TRUST AND AGENCY FUNDS

For the Fiscal Year Ended June 30, 1988

| | | | | | Totals | |
|---|---|---|---|---|---|---|
| | | | | | Years Ended | |
| | Retirement (G-4) | Other (G-6) | Custodial (G-8) | Payroll and Pension Clearing (G-11) | June 30, 1988 | June 30, 1987 |
| Revenues: | | | | | | |
| Licenses, Fees, Sales and Services | $ | $ 427,732 | $ 889,605 | $ | $ 1,317,337 | $ 1,225,430 |
| Fines | | 850,100 | | | 850,100 | 877,706 |
| Contributions | 170,056,038 | | 13,742 | | 170,069,780 | 159,346,303 |
| Federal Grants | | 231,000 | | | 231,000 | 123,000 |
| Income from Investments | 163,814,382 | 274,659 | 27,230 | 523,219 | 164,639,490 | 124,439,713 |
| Interest | 1,573,712 | | | | 1,573,712 | 621,674 |
| Unclaimed Property | | 3,317,027 | | | 3,317,027 | 2,556,709 |
| Miscellaneous | 3,503 | 35,267 | 83,959 | 3,885 | 126,614 | 208,756 |
| Total Revenues | $ 335,447,635 | $ 5,135,785 | $ 1,014,536 | $ 527,104 | $ 342,125,060 | $ 289,399,291 |
| Expenditures: | | | | | | |
| Individual and Family Development | 113,982,260 | 80,437 | 1,026,778 | | 115,089,475 | 102,302,967 |
| Comprehensive Support | 659,756 | | | | 659,756 | |
| Miscellaneous | 2,000 | 2,942,846 | | | 2,944,846 | 3,279,152 |
| Total Expenditures | $ 114,644,016 | $ 3,023,283 | $ 1,026,778 | $ | $ 118,694,077 | $ 105,582,119 |
| Excess (Deficiency) of Revenues over Expenditures | $ 220,803,619 | $ 2,112,502 | $ (12,242) | $ 527,104 | $ 223,430,983 | $ 183,817,172 |
| Other Financing Sources (Uses): | | | | | | |
| Interfund and Intrafund Transfers | $ (1,124,980) | $ (2,357,092) | $ 2,396 | $ (523,219) | $ (4,002,895) | $ (3,260,280) |
| Adjustment - Prior Year Transactions | | | | | | (498,006) |
| Total Other Financing Sources (Uses) | $ (1,124,980) | $ (2,357,092) | $ 2,396 | $ (523,219) | $ (4,002,895) | $ (3,758,286) |
| Increase (Decrease) in Fund Balance | $ 219,678,639 | $ (244,590) | $ (9,846) | $ 3,885 | $ 219,428,088 | $ 180,058,886 |
| Fund Balances, July 1 | 1,366,514,088 | 3,308,179 | 359,729 | 300,527 | 1,370,482,523 | 1,190,423,637 |
| Fund Balances, June 30 (Exhibit G-1) | $1,586,192,727 | $ 3,063,589 | $ 349,883 | $ 304,412 | $1,589,910,611 | $1,370,482,523 |

## COMMENTS

(Exhibits G-3, 4)

### EMPLOYEES' RETIREMENT FUND

This Fund is maintained for the purpose of financing the retirement system for state employees and public school teachers, which provides retirement, disability, and death benefit coverage. In the case of state employees, the system operates as a full supplement to Federal Social Security (Chapters 36-8, 9, 10 of the General Laws of Rhode Island).

The actuary is required to make an investigation into the mortality, service, and compensation experience of the members of the retirement system, and to make a valuation of the assets and liabilities of the system. The Retirement Board shall certify to the Director of Administration before December 15 in each year, rates of contribution payable by the State of Rhode Island for the next fiscal year. The contribution rates for 1988, 1989 and 1990 are as follows:

|  | Employer |  | Employees |  |
|---|---|---|---|---|
| Fiscal | State Employees | Teachers | State Employees | Teachers |
| 1988 | 12.5% | 9.3 % | 7.5% | 8.5% |
| 1989 | 13.6% | 10.15% | 7.5% | 8.5% |
| 1990 | 14.7% | 10.8 % | 7.5% | 8.5% |

A separate retirement program is maintained for faculty and certain administrative employees of the State university and colleges. This program is reinsured with the Teachers' Insurance and Annuity Association Plan (TIAA) of New York.

For more information regarding the State Employees' Retirement Fund refer to Note 15 to the combined financial statements.

### MUNICIPAL EMPLOYEES' RETIREMENT FUND

This fund is maintained for the purpose of financing the Municipal Retirement System in which participation is optional by municipalities. Fifty-eight municipalities and related entities are now in this system.

The method of financing the system, established by Chapter 45-21 of the General Laws, reflects a full-funded basis in accordance with the accruing requirements. It consists of contributions by municipal employees of a fixed percent of compensation and matching contributory payments by participating municipalities. The system is directed and administered by the State Retirement Board. For more information regarding the Municipal Employees' Retirement Fund refer to Note 15 to the combined financial statements.

* * * * * * *

For further information concerning the financial operations of the retirement system for State employees and public school teachers, and the retirement system for municipal employees, reference should be made to the annual reports of the State Retirement Board covering each of these retirement systems.

Exhibit G-3

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

### COMBINING BALANCE SHEETS
### RETIREMENT TRUST AND AGENCY FUNDS

June 30, 1988

| | Municipal Employees' Retirement | Employees' Retirement | | | | Totals | |
|---|---|---|---|---|---|---|---|
| ASSETS | | State Employees | Teachers | Teachers' Survivors | Unclaimed Benefits | June 30,1988 | June 30,1987 |
| Cash | $ 184,033 | $ 2,488,069 | $ 2,786,634 | $ 225,511 | $ 218,731 | $ 5,902,978 | $ 3,309,929 |
| Investments | 193,516,899 | 642,749,650 | 699,944,651 | 45,533,885 | | 1,581,745,085 | 1,373,806,149 |
| Total Assets | $ 193,700,932 | $645,237,719 | $702,731,285 | $45,759,396 | $ 218,731 | $1,587,648,063 | $1,377,116,078 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Vouchers Payable | $ 3,795 | $ 22,275 | $ 45,206 | $ | $ | $ 71,276 | $ 142,990 |
| Obligations under Reverse Repurchase Agreements | | | | | | | 10,459,000 |
| Other Liabilities | | 640,819 | 697,843 | 45,398 | | 1,384,060 | |
| Total Liabilities | $ 3,795 | $ 663,094 | $ 743,049 | $ 45,398 | $ | $ 1,455,336 | $ 10,601,990 |
| Fund Balances-Reserved for Pension Benefits (Exhibit G-4) | $ 193,697,137 | $644,574,625 | $701,988,236 | $45,713,998 | $ 218,731 | $1,586,192,727 | $1,366,514,088 |
| Total Liabilities and Fund Balances | $ 193,700,932 | $645,237,719 | $702,731,285 | $45,759,396 | $ 218,731 | $1,587,648,063 | $1,377,116,078 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-4

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
## RETIREMENT TRUST AND AGENCY FUNDS

June 30, 1988

| | | Employees' Retirement | | | | Totals | |
|---|---|---|---|---|---|---|---|
| | | | | | | Year Ended | |
| | Municipal Employees' Retirement | State Employees | Teachers | Teachers' Survivors | Unclaimed Benefits | June 30,1988 | June 30,1987 |
| Revenues: | | | | | | | |
| Net Contributions | $ 10,982,267 | $ 64,796,890 | $ 93,261,672 | $ 1,006,392 | $ 8,817 | $ 170,056,038 | $ 159,345,058 |
| Income from Investments (Net) | 22,045,879 | 67,028,148 | 69,863,518 | 4,876,837 | | 163,814,382 | 122,923,011 |
| Interest on Member Purchases | 103,093 | 257,578 | 1,213,041 | | | 1,573,712 | 621,674 |
| Miscellaneous | 68 | 3,435 | | | | 3,503 | 45,925 |
| Total Revenues | $ 33,131,307 | $132,086,051 | $164,338,231 | $ 5,883,229 | $ 8,817 | $ 335,447,635 | $ 282,935,668 |
| Expenditures: | | | | | | | |
| Retirement Benefits | $ 9,136,624 | $ 52,453,669 | $ 51,195,241 | $ 1,193,936 | $ 2,790 | $ 113,982,260 | $ 101,334,657 |
| Miscellaneous | 2,000 | | | | | 2,000 | 3,146 |
| Management and Professional Fees | 100,022 | 264,642 | 275,837 | 19,255 | | 659,756 | |
| Total Expenditures | $ 9,238,646 | $ 52,718,311 | $ 51,471,078 | $ 1,213,191 | $ 2,790 | $ 114,644,016 | $ 101,337,803 |
| Excess of Revenues over Expenditures | $ 23,892,661 | $ 79,367,740 | $112,867,153 | $ 4,670,038 | $ 6,027 | $ 220,803,619 | $ 181,597,865 |
| Other Financing Uses: | | | | | | | |
| Interfund and Intrafund Transfers | $ (192,654) | $ (440,804) | $ (459,450) | $ (32,072) | $ | $ (1,124,980) | $ (1,113,789) |
| Adjustment - Prior Year Transactions | | | | | | | (498,006) |
| Total Other Financing Uses | $ (192,654) | $ (440,804) | $ (459,450) | $ (32,072) | $ | $ (1,124,980) | $ (1,611,795) |
| Increase in Fund Balances | 23,700,007 | 78,926,936 | 112,407,703 | 4,637,966 | 6,027 | 219,678,639 | 179,986,070 |
| Fund Balances, July 1 | 169,997,130 | 565,647,689 | 589,580,533 | 41,076,032 | 212,704 | 1,366,514,088 | 1,186,528,018 |
| Fund Balances, June 30 (Exhibit G-3) | $ 193,697,137 | $644,574,625 | $701,988,236 | $45,713,998 | $ 218,731 | $1,586,192,727 | $1,366,514,088 |

## TRUST AND AGENCY FUNDS - OTHER

(Exhibits G-5, 6)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-5

## COMBINING BALANCE SHEETS
## TRUST AND AGENCY FUNDS - OTHER

June 30, 1988

| ASSETS | Unclaimed Property | Violent Crimes Indemnity | R.I. Veterans' Home | Real Estate Recovery | Permanent School | Touro Jewish Synagogue | Totals June 30, 1988 | Totals June 30, 1987 |
|---|---|---|---|---|---|---|---|---|
| Cash | $ 147,224 | $ 79,737 | $ 75,340 | $ 48,520 | $ 146,520 | $ 19,717 | $ 517,058 | $ 297,373 |
| Investments | | 75,000 | 1,175,000 | 325,000 | 1,200,000 | 887,848 | 3,662,848 | 3,527,848 |
| Accounts Receivable | | 89,685 | 31,145 | | | | 120,830 | 115,347 |
| Total Assets | $ 147,224 | $ 244,422 | $ 1,281,485 | $ 373,520 | $ 1,346,520 | $ 907,565 | $ 4,300,736 | $ 3,940,568 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accrued Payroll and Fringe Benefits | $ 6,059 | $ | $ | $ | $ | $ | $ 6,059 | $ 4,270 |
| Vouchers and Accounts Payable | 25,788 | 929,898 | 229,869 | | 15,264 | 30,269 | 1,231,088 | 628,119 |
| Total Liabilities | $ 31,847 | $ 929,898 | $ 229,869 | $ | $ 15,264 | $ 30,269 | $ 1,237,147 | $ 632,389 |
| Fund Balances (Deficit) (Exhibit G-6) | $ 115,377 | $ (685,476) | $ 1,051,616 | $ 373,520 | $ 1,331,256 | $ 877,296 | $ 3,063,589 | $ 3,308,179 |
| Total Liabilities and Fund Balances | $ 147,224 | $ 244,422 | $ 1,281,485 | $ 373,520 | $ 1,346,520 | $ 907,565 | $ 4,300,736 | $ 3,940,568 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-6

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
## TRUST AND AGENCY FUNDS - OTHER

For the Fiscal Year Ended June 30, 1988

| | Unclaimed Property | Violent Crimes Indemnity | R.I. Veterans' Home | Real Estate Recovery | Permanent School | Touro Jewish Synagogue | Totals June 30, 1988 | Totals June 30, 1987 |
|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | |
| Fees, Sales and Services | $ 5,745 | $ | $ 381,413 | $ 34,485 | $ 6,089 | $ | $ 427,732 | $ 441,051 |
| Income from Investments | | 5,313 | 86,835 | 22,118 | 85,852 | 74,541 | 274,659 | 909,765 |
| Unclaimed Property | 3,317,027 | | | | | | 3,317,027 | 2,556,709 |
| Fines | | 850,100 | | | | | 850,100 | 877,706 |
| Federal Grants | | 231,000 | | | | | 231,000 | 123,000 |
| Miscellaneous | 8,312 | 10,097 | 16,758 | | 100 | | 35,267 | 53,609 |
| Total Revenues | $ 3,331,084 | $ 1,096,510 | $ 485,006 | $ 56,603 | $ 92,041 | $ 74,541 | $ 5,135,785 | $ 4,961,840 |
| Expenditures: | | | | | | | | |
| Individual and Family Development | $ | $ | $ | $ | $ 80,437 | $ | $ 80,437 | $ 23,340 |
| Miscellaneous | 752,921 | 1,542,910 | 572,473 | | | 74,542 | 2,942,846 | 2,706,202 |
| Total Expenditures | $ 752,921 | $ 1,542,910 | $ 572,473 | $ | $ 80,437 | $ 74,542 | $ 3,023,283 | $ 2,729,542 |
| Excess (Deficiency) of Revenues over Expenditures | $ 2,578,163 | $ (446,400) | $ (87,467) | $ 56,603 | $ 11,604 | $ (1) | $ 2,112,502 | $ 2,232,298 |
| Other Financing Sources (Uses): | | | | | | | | |
| Interfund Transfers | $ (2,607,092) | $ | $ | $ | $ 250,000 | $ | $ (2,357,092) | $ (1,565,000) |
| Total Other Financing Sources (Uses): | $ (2,607,092) | $ | $ | $ | $ 250,000 | $ | $ (2,357,092) | $ (1,565,000) |
| Increase (Decrease) in Fund Balances | $ (28,929) | $ (446,400) | $ (87,467) | $ 56,603 | $ 261,604 | $ (1) | $ (244,590) | $ 667,298 |
| Fund Balances (Deficit), July 1 | 144,306 | (239,076) | 1,139,083 | 316,917 | 1,069,652 | 877,297 | 3,308,179 | 2,640,881 |
| Fund Balances (Deficit), June 30 (Exhibit G-5) | $ 115,377 | $ (685,476) | $ 1,051,616 | $ 373,520 | $ 1,331,256 | $ 877,296 | $ 3,063,589 | $ 3,308,179 |

## CUSTODIAL FUNDS - STATE INSTITUTIONS

(Exhibits G-7, 8, 9)

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-7

## CUSTODIAL FUNDS - STATE INSTITUTIONS
## BALANCE SHEETS

June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| ASSETS | | |
| Cash | $ 38,291 | $ 305,968 |
| Imprest Cash (Exhibit G-9) | 165,290 | 167,790 |
| Investments | 1,800,000 | 1,625,000 |
| Total Assets | $ 2,003,581 | $ 2,098,758 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Vouchers and Accounts Payable | $ 127,909 | $ 82,799 |
| Custodial Accounts | 1,525,789 | 1,656,230 |
| Total Liabilities | $ 1,653,698 | $ 1,739,029 |
| Fund Balances: | | |
| Reserved for Encumbrances | $ 38,251 | $ 7,789 |
| Unreserved | 311,632 | 351,940 |
| Total Fund Balances (Exhibit G-8) | $ 349,883 | $ 359,729 |
| Total Liabilities and Fund Balances | $ 2,003,581 | $ 2,098,758 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-8

## CUSTODIAL FUNDS - STATE INSTITUTIONS
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Income from Investments | $ 27,230 | $ 23,970 |
| Sales and Services - Stores | 889,605 | 784,379 |
| Donations - Benefits | 13,742 | 1,245 |
| Miscellaneous Income - Benefits | 83,959 | 109,222 |
| Total Revenues | $ 1,014,536 | $ 918,816 |
| Expenditures: | | |
| Stores | $ 743,226 | $ 669,036 |
| Benefits Paid | 283,552 | 275,934 |
| Total Expenditures | $ 1,026,778 | $ 944,970 |
| Excess (Deficiency) of Revenues Over Expenditures | $ (12,242) | $ (26,154) |
| Other Financing Sources: | | |
| Interfund and Intrafund Transfers | $ 2,396 | $ 1,476 |
| Total Other Financing Sources | $ 2,396 | $ 1,476 |
| Decrease in Fund Balances | $ (9,846) | $ (24,678) |
| Fund Balances, July 1 | 359,729 | 384,407 |
| Fund Balances, June 30 (Exhibit G-7) | $ 349,883 | $ 359,729 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-9

## CUSTODIAL FUNDS - STATE INSTITUTIONS
## STATEMENT OF IMPREST CASH FUNDS

June 30, 1988

| | |
|---|---|
| **GENERAL HOSPITAL** | |
| Patients' Accounts | $ 25,000 |
| **INSTITUTE OF MENTAL HEALTH** | |
| Patients' Accounts | 25,000 |
| Patients' Benefits | 5,000 |
| **ADULT CORRECTIONAL INSTITUTION** | |
| Inmates' Accounts | 60,000 |
| Inmates' Benefits | 1,000 |
| **ZAMBARANO MEMORIAL HOSPITAL** | |
| Patients' Accounts | 7,500 |
| Patients' Benefits | 1,000 |
| **R. I. TRAINING SCHOOL FOR BOYS** | |
| Trainees' Accounts | 700 |
| Trainees' Benefits | 500 |
| **R. I. VETERANS' HOME** | |
| Residents' Benefits | 2,000 |
| **DR. JOSEPH H. LADD SCHOOL** | |
| Wards' Accounts | 35,000 |
| Stores | 90 |
| Wards' Benefits | 2,500 |
| Total Imprest Cash (Exhibit G-7) | $ 165,290 |

# COMMENTS

(Exhibits G-10, 11)

## PAYROLL AND PENSION CLEARING FUND

This fund provides the facility of a single account for processing state employees' salaries, pensions, and their mandatory and voluntary deductions. It also processes the State's share of employee benefits. Cash is transferred from various funds of the State to this clearing account on every payday based on each funds' payroll or pension liability.

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan is administered by the Department of Administration pursuant to General Law 36-13-7. The Department of Administration contracts with private corporations to provide investment products related to the management of the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death, or unforseeable emergency.

Compensation deferred under the plan, and held by insurance companies, is valued at market, and is reflected as an asset and liability on the accompanying financial statements.

Fund balance reserved for Group Life Insurance represents dividends and transfer of reserve for premium waivers from the insurance carrier to the State of Rhode Island. The Disability Self-Insurance Reserve reflects the State's responsibility for the continuation of the insurance in force under the Group Policy for those employees who have provided proof of total disability from bodily injury or disease which wholly and continuously prevents them from engaging in any occupation or employment for wage or profit.

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-10

## PAYROLL AND PENSION CLEARING FUND
## BALANCE SHEETS

June 30, 1988 and 1987

| ASSETS | 1988 | 1987 |
|---|---|---|
| Cash | $ 1,127,948 | $ (1,182,864) |
| Investments (At Cost) | 5,800,000 | 7,472,306 |
| Deferred Compensation Held by Insurance Carriers | 38,118,128 | 34,248,255 |
| Total Assets | 45,046,076 | 40,537,697 |
| **LIABILITIES AND FUND BALANCES** | | |
| Liabilities: | | |
| Vouchers and Accounts Payable | $ 2,108,212 | $ 1,894,277 |
| Federal Government - FICA, Income Taxes and Savings Bonds | 1,544,213 | 1,550,186 |
| State Employees - Deferred Compensation Program | 38,118,128 | 34,248,255 |
| Insurance Carriers and Others | 2,971,111 | 2,544,452 |
| Total Liabilities | $ 44,741,664 | $ 40,237,170 |
| Fund Balances: | | |
| Reserved - Group Life Insurance | $ 63,718 | $ 38,659 |
| Disability Self-Insurance Reserve - Group Life Reserve | 240,694 | 261,868 |
| Total Fund Balances (Exhibit G-11) | $ 304,412 | $ 300,527 |
| Total Liabilities and Fund Balances | $ 45,046,076 | $ 40,537,697 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-11

## PAYROLL AND PENSION CLEARING FUND
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---|---|
| Revenues: | | |
| Income from Investments | $ 523,219 | $ 582,967 |
| Group Life Insurance | 3,885 | |
| Total Revenues | $ 527,104 | $ 582,967 |
| Expenditures: | | |
| Group Life Insurance | $ | $ 569,804 |
| Total Expenditures | $ | $ 569,804 |
| Excess of Revenues over Expenditures | $ 527,104 | $ 13,163 |
| Other Financing Uses: | | |
| Transfers to General Fund | 523,219 | 582,967 |
| Total Other Financing Uses | $ 523,219 | $ 582,967 |
| Increase (Decrease) in Fund Balances | $ 3,885 | $ (569,804) |
| Fund Balances, July 1 | 300,527 | 870,331 |
| Fund Balances, June 30 (Exhibit G-10) | $ 304,412 | $ 300,527 |

# GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

Exhibit/ Schedule

Statement of General Long-Term Debt.................................................... H-1

Statement of Changes in General Long-Term Debt.................................... H-2

## STATE DEBT

### ANALYSIS OF DEBT CHANGES (Refer to Exhibits H-1 and 2)

General Obligation Bonded Debt supported by taxes at June 30, 1988, amounted to $336,725,000, an increase of $74,830,000 compared with $261,895,000, at June 30, 1987 as follows:

| | |
|---|---|
| Issuance of General Obligation Bonds | $123,810,000 |
| Redemption and Advance Refunding of General Obligation Bonds | 48,980,000 |
| Increase - General Obligation Debt | $ 74,830,000 |

### DEBT SERVICE COST

| | 1988 | 1987 | Increase (Decrease) |
|---|---|---|---|
| General Obligation Bonds: | | | |
| Interest on Debt | $18,821,610 | $21,246,808 | $(2,425,198) |
| Redemption and Refunding of General Obligation Bonds | 48,980,000 | 29,855,000 | 19,125,000 |
| | $67,801,610 | $51,101,808 | $16,699,802 |
| Lease Participation Certificates: | | | |
| Interest on Debt | $ 305,622 | $ | $ 305,622 |
| Redemption of Certificates | 658,109 | | 658,109 |
| | $ 963,731 | $ | $ 963,731 |
| Loans Payable to R.I. Refunding Bond Authority: | | | |
| Interest on Debt | $ 168,132 | $ | $ 168,132 |
| Redemption of Loans | 530,000 | | 530,000 |
| | $ 698,132 | $ | $ 698,132 |
| Lease Obligations to R.I. Public Buildings Authority: | | | |
| Interest on Debt | $ 9,732,800 | $ 8,147,668 | $ 1,585,132 |
| Redemption of Lease Obligations | 4,440,000 | 3,895,000 | 545,000 |
| | $14,172,800 | $12,042,668 | $ 2,130,132 |

### STATE AUTHORITIES

| Bonds Guaranteed by State | Amount Outstanding June 30, 1988 |
|---|---|
| Blackstone Valley Sewer District Commission | $18,385,000 |
| Narragansett Bay Water Quality Management District Commission | 7,990,000 |
| Rhode Island Turnpike and Bridge Authority (State guarantee limited to $31,000,000) | 31,000,000 |
| | $57,375,000 |

## BONDS AND NOTES AUTHORIZED AND UNISSUED AT JUNE 30, 1988

| GENERAL OBLIGATION BONDS SUPPORTED BY TAXES | Legal Reference | Authorized | Issued Current Year | Issued To Date | Unissued June 30, 1988 |
|---|---|---|---|---|---|
| Capital Development Fund | (Ch. 163, P.L. 1980) | $ 14,869,600 | $ | $ 13,865,000 | $ 1,004,600 |
| | (Ch. 344, P.L. 1982) | 40,500,000 | 6,700,000 | 38,410,000 | 2,090,000 |
| | (Ch. 332, P.L. 1983) | 68,600,000 | 16,400,000 | 54,200,000 | 14,400,000 |
| | (Ch. 156, P.L. 1984) | 25,775,000 | 17,545,000 | 20,545,000 | 5,230,000 |
| | (Ch. 367, P.L. 1985) | 41,180,000 | 21,465,000 | 21,465,000 | 19,715,000 |
| | (Ch. 419, P.L. 1986) | 116,580,000 | 18,720,000 | 18,720,000 | 97,860,000 |
| R.I. Economic Development Fund | (Ch. 157, P.L. 1979) | 25,000,000 | 2,500,000 | 17,500,000 | 7,500,000 |
| Environmental Response Fund | (Ch. 403, P.L. 1984) | 5,000,000 | 1,000,000 | 1,000,000 | 4,000,000 |
| Sewerage and Water Supply Failure Fund | (Ch. 420, P.L. 1984) | 5,000,000 | 1,000,000 | 1,000,000 | 4,000,000 |
| E911 Uniform Emergency Call System Fund | (Ch. 155, P.L. 1984) | 5,000,000 | | | 5,000,000 |
| Asbestos and Dangerous Products Abatement Fund | (Ch. 366, P.L. 1985) | 20,000,000 | | 4,000,000 | 16,000,000 |
| Heritage Capital Development Fund | (Ch. 369, P.L. 1985) | 9,000,000 | 3,280,000 | 3,280,000 | 5,720,000 |
| Underground Storage Tank Replacement Revolving Loan Fund | (Ch. 486, P.L. 1985) | 1,500,000 | | | 1,500,000 |
| Narragansett Bay Water Quality Management District Commission Fund | (Ch. 342, P.L. 1980) | 73,641,000 | 4,700,000 | 20,000,000 | 53,641,000 |
| Clean Water Act Environmental Trust Fund | (Ch. 289, P.L. 1986) | 35,000,000 | 2,500,000 | 2,500,000 | 32,500,000 |
| Hazardous Waste Technology Research, Development and Demonstration Fund | (Ch. 399, P.L. 1986) | 2,000,000 | | | 2,000,000 |
| Open Space and Recreational Area Fund | (Ch. 425, P.L. 1987) | 65,200,000 | 28,000,000 | 28,000,000 | 37,200,000 |
| TOTAL GENERAL OBLIGATION BONDS SUPPORTED BY TAXES | | $ 553,845,600 | $ 123,810,000 | $ 244,485,000 | $ 309,360,600 |
| SELF-SUPPORTING ENTERPRISE BONDS - GUARANTEED BY STATE | | | | | |
| R.I. Industrial - Recreational Building Authority | (Ch. 537, P.L. 1987) | $ 80,000,000 | $ | $ | $ 80,000,000 * |
| Blackstone Valley Sewer District Commission | (Ch. 267, P.L. 1966) | 8,500,000 | | 7,800,000 | 700,000 |
| Blackstone Valley Sewer District Commission | (Ch. 92, P.L. 1971) | 3,300,000 | | 900,000 | 2,400,000 |
| Blackstone Valley District Commission | (Ch. 289, P.L. 1986) | 17,200,000 | 12,045,000 | 12,045,000 | 5,155,000 |
| Narragansett Bay Water Quality Management District Commission | (Ch. 342, P.L. 1980) | 14,059,000 | 6,800,000 | 8,500,000 | 5,559,000 |
| TOTAL SELF-SUPPORTING ENTERPRISE BONDS - GUARANTEED BY TAXES | | $ 123,059,000 | $ 18,845,000 | $ 29,245,000 | $ 93,814,000 |

* This amount would be reduced by the amount of mortgages guaranteed by the Rhode Island Industrial-Recreational Building Authority, $22,820,784 at June 30, 1988.

Exhibit H-1

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## STATEMENT OF GENERAL LONG-TERM DEBT

June 30, 1988 and 1987

| | 1988 | 1987* |
|---|---|---|
| Amount to be Provided for Retirement of General Long-term Debt | $ 483,355,911 | $ 365,566,094 |
| General Long-term Debt Payable: | | |
| General Obligation Bonds Payable | $ 336,725,000 | $ 261,895,000 |
| Lease Participation Certificates Payable | 10,779,411 | 2,389,594 |
| Loan Payable to R.I. Refunding Bond Authority | 19,840,000 | |
| Lease Obligations to the R.I. Public Buildings Authority | 116,011,500 | 101,281,500 |
| | $ 483,355,911 | $ 365,566,094 |

*Restated

# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit H-2

## STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT

For the Fiscal Year Ended June 30, 1988

| General Long-term Debt Payable | Balance July 1, 1987* | General Long-term Debt Incurred | General Long-term Debt Retired and Refunded | Balance June 30, 1988 |
|---|---|---|---|---|
| General Obligation Bonds Payable | $ 261,895,000 | $ 123,810,000 | $ 48,980,000 | $ 336,725,000 |
| Lease Participation Certificates Payable | 2,389,594 | 9,047,926 | 658,109 | 10,779,411 |
| Loan Payable to R.I. Refunding Bond Authority | | 20,370,000 | 530,000 | 19,840,000 |
| Lease Obligations to the R.I. Public Buildings Authority | 101,281,500 | 19,170,000 | 4,440,000 | 116,011,500 |
| | $ 365,566,094 | $ 172,397,926 | $ 54,608,109 | $ 483,355,911 |

*Restated.

# FINANCIAL SECTION

Exhibit/ Schedule

PUBLIC AUTHORITIES AND CORPORATIONS:

Combining Balance Sheets.............................................. J-1

Combining Statement of Revenues, Expenses, and Changes in Fund Equity.... J-2

Combining Statement of Changes in Financial Position..................... J-3

## Comments

The information presented in the following financial statements has been compiled from the audited annual financial reports of each individual authority and corporation. For additional information, refer to these reports.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-1-1

## COMBINING BALANCE SHEET
## PUBLIC AUTHORITIES AND CORPORATIONS

June 30, 1988

| | R.I. Port Authority and Economic Development Corporation | R.I. Water Resources Board Corporate | R.I. Solid Waste Management Corporation | R.I. Housing and Mortgage Finance Corporation | R.I. Refunding Bond Authority | R.I. Public Transit Authority | R.I.Turnpike and Bridge Authority |
|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | |
| Cash | $ 95,839 | $ 4,406 | $ 500 | $ 17,616,373 | $ | $ 44,920 | $ 394,002 |
| Investments | 17,445,908 | 280,000 | 190,021,760 | 569,275,145 | 4,489 | 1,775,003 | 17,150,045 |
| Receivables (Net of Allowance for Uncollectibles): | | | | | | | |
| Accounts | 1,329,813 | | 4,799,318 | | | 190,637 | |
| Accrued Interest | | | | 18,667,497 | | 39,115 | 257,418 |
| Notes and Loans | 6,907,047 | | | 900,458,660 | 19,688,184 | | |
| Due from Other Governments and Agencies | | 21,735 | | | 1,685 | 1,570,807 | |
| Inventories | 175,031 | | | | | 390,563 | |
| Prepaid Expenses | 13,427 | | | | | 25,092 | 16,224 |
| Land | 21,452,102 | | | | | | |
| Fixed Assets | 8,709,105 | | 18,641,669 | | | 41,342,727 | 60,487,966 |
| Accumulated Depreciation, Depletion, and Amortization | (4,951,847) | | (8,209,006) | | | (13,111,916) | |
| Other Assets | | 1,232,266 | 8,937,989 | 16,578,817 | 871,440 | | |
| Rentals Due for Payment of Principal and Interest on Revenue Bonds | | | | | | | |
| Deferred Development Costs | | | | | | | |
| Total Assets | $ 46,176,425 | $1,538,407 | $214,192,230 | $1,522,596,492 | $ 20,565,798 | $ 32,266,948 | $ 78,305,655 |
| LIABILITIES | | | | | | | |
| Cash Overdraft | $ | $ | $ 359,847 | $ | $ | $ | $ |
| Accounts Payable | 4,111,702 | 247,099 | 1,792,526 | | | 2,837,123 | 621,963 |
| Due to Other Funds | | | | | | | 5,600,000 |
| Due to Other Governments | | | | | 113 | | |
| Accrued Liabilities | 1,902,925 | | 1,307,625 | 32,716,590 | 199,368 | 4,575,775 | 467,751 |
| Deferred Revenue | | | | 6,336,200 | | 161,849 | 556,550 |
| Notes Payable | | 300,000 | 600,000 | | | | |
| Escrow Deposits | | | | 50,106,537 | | | |
| Other Liabilities | | | 3,449,679 | | 260,278 | | |
| Provision for Maintenance | | | | | | | 13,576,618 |
| Bonds Payable | | | 169,418,972 | 1,268,269,120 | 20,105,000 | | 48,040,000 |
| Total Liabilities | $ 6,014,627 | $ 547,099 | $176,928,649 | $1,357,428,447 | $ 20,564,759 | $ 7,574,747 | $ 68,862,882 |
| FUND EQUITY | | | | | | | |
| Contributed Capital | $ | $ 918,932 | $ | $ | $ | $ 30,732,095 | $ |
| Unexpended Funds | | | | | | | |
| Retained Earnings (Deficit) | | 72,376 | 37,263,581 | | | (6,039,894) | |
| Fund Balance: | | | | | | | |
| Reserved | 26,530,349 | | | 165,168,045 | 721 | | |
| Unreserved | 13,631,449 | | | | 318 | | 9,442,773 |
| Total Fund Equity | $ 40,161,798 | $ 991,308 | $ 37,263,581 | $ 165,168,045 | $ 1,039 | $ 24,692,201 | $ 9,442,773 |
| Total Liabilities and Fund Equity | $ 46,176,425 | $1,538,407 | $214,192,230 | $1,522,596,492 | $ 20,565,798 | $ 32,266,948 | $ 78,305,655 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-1-2

## COMBINING BALANCE SHEET
## PUBLIC AUTHORITIES AND CORPORATIONS

June 30, 1988

| | R.I. Public Buildings Authority | R.I. Student Loan Authority | R.I. Industrial Facilities Corporation | Howard Development Corporation | Convention Center Authority | R.I. Public Telecommunications Authority | Total |
|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | |
| Cash | $ 559,537 | $ 70,005 | $ 22,073 | $ 18,398 | $ 51,655 | $ 339,840 | $ 19,217,548 |
| Investments | 79,667,367 | 7,929,144 | 705,837 | 3,950,824 | | | 883,205,522 |
| Receivables (Net of Allowance for Uncollectibles): | | | | | | | |
| Accounts | | | 29,161 | | | 4,470 | 6,353,399 |
| Accrued Interest | 1,170,884 | 1,888,990 | | 25,259 | | | 22,049,163 |
| Notes and Loans | | 113,356,034 | | | | | 1,040,409,925 |
| Due from Other Governments and Agencies | | 31,854 | | | | | 1,626,081 |
| Inventories | | | | 2,226,718 | | | 2,792,312 |
| Prepaid Expenses | 69,003 | | | 2,754 | | 11,790 | 137,790 |
| Land | | | | | | | 21,452,102 |
| Fixed Assets | 72,808 | 9,016 | | | | 2,510,578 | 131,773,819 |
| Accumulated Depreciation, Depletion, and Amortization | (48,122) | (746) | | | | | (26,321,637) |
| Other Assets | | 168,667 | | | | 228,316 | 28,017,495 |
| Rentals Due for Payment of Principal and Interest on Revenue Bonds | 133,256,459 | | | | | | 133,256,459 |
| Deferred Development Costs | - | | | | 235,809 | | 235,809 |
| Total Assets | $214,747,936 | $123,452,964 | $ 757,071 | $ 6,223,953 | $ 287,464 | $ 3,094,444 | $2,264,205,787 |
| LIABILITIES | | | | | | | |
| Cash Overdraft | $ | $ | $ | $ | $ - | $ | $ 359,847 |
| Accounts Payable | | 38,736 | 2,580 | 9,353 | | 18,918 | 9,680,000 |
| Due to Other Funds | | | | | 90,000 | | 5,690,000 |
| Due to Other Governments | | | | 800,000 | 95,000 | | 895,113 |
| Accrued Liabilities | 4,898,450 | 2,148,126 | | | 102,464 | 175,956 | 48,495,030 |
| Deferred Revenue | | | 9,826 | | | | 7,064,425 |
| Notes Payable | 10,702,878 | 114,574,341 | | | | | 126,177,219 |
| Escrow Deposits | | | | | | | 50,106,537 |
| Other Liabilities | | | | | | | 3,709,957 |
| Provision for Maintenance | | | | | | | 13,576,618 |
| Bonds Payable | 134,522,230 | | | | | | 1,640,355,322 |
| Total Liabilities | $150,123,558 | $116,761,203 | $ 12,406 | $ 809,353 | $ 287,464 | $ 194,874 | $1,906,110,068 |
| FUND EQUITY | | | | | | | |
| Contributed Capital | $ | $ | $ | $ | $ | $ | $ 31,651,027 |
| Unexpended Funds | 61,354,671 | | | | | | 61,354,671 |
| Retained Earnings (Deficit) | | | | | | | 31,296,063 |
| Fund Balance: | | | | | | | |
| Reserved | 3,135,787 | | | | | 2,520,665 | 197,355,567 |
| Unreserved | 133,920 | 6,691,761 | 744,665 | 5,414,600 | | 378,905 | 36,438,391 |
| Total Fund Equity | $ 64,624,378 | $ 6,691,761 | $ 744,665 | $ 5,414,600 | $ | $ 2,899,570 | $ 358,095,719 |
| Total Liabilities and Fund Equity | $214,747,936 | $123,452,964 | $ 757,071 | $ 6,223,953 | $ 287,464 | $ 3,094,444 | $2,264,205,787 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-2-1

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
## PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1988

| | R.I. Port Authority and Economic Development Corporation | R.I. Water Resources Board Corporate | R.I. Solid Waste Management Corporation | R.I. Housing and Mortgage Finance Corporation | R.I. Refunding Bond Authority | R.I. Public Transit Authority | R.I.Turnpike and Bridge Authority |
|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | |
| Licenses, Fees, Sales and Services | $ 3,315,802 | $ | $ 33,720,765 | $ 2,760,381 | $ | $ 6,787,953 | $ 8,640,860 |
| Rental Income | 3,879,702 | | | | | 77,667 | |
| State of R.I. and Federal Grants | 133,347 | | | | | 15,102,648 | |
| Other Grants | | | | | | | |
| Interest | 1,542,699 | 11,697 | 12,314,980 | 122,809,909 | 455,967 | 200,213 | 1,149,043 |
| Other Income | 150,000 | 300 | 43,102 | 261,406 | 33,253 | 163,924 | 20,054 |
| Total Revenues | $ 9,021,550 | $ 11,997 | $ 46,078,827 | $ 125,811,696 | $ 489,220 | $ 22,332,405 | $ 9,809,957 |
| **Expenses:** | | | | | | | |
| Supplies, Materials, and Services | $ 7,004,224 | $ 16,675 | $ 11,509,278 | $ 4,028,643 | $ 778 | $ 22,693,033 | $ 2,072,598 |
| Additions to Provision for Maintenance | | | | | | | 5,000,000 |
| Interest on Bonds and Notes | 6,647 | | 8,822,770 | 104,049,672 | 455,220 | 15,281 | 2,159,780 |
| Depreciation, Depletion and Amortization | 546,458 | | 2,064,837 | 5,245,149 | 32,183 | 2,368,828 | |
| Miscellaneous | | | 2,083,471 | 1,132,396 | | | |
| Total Expenses | $ 7,557,329 | $ 16,675 | $ 24,480,356 | $ 114,455,860 | $ 488,181 | $ 25,077,142 | $ 9,232,378 |
| Excess (Deficiency) of Revenues over Expenses | $ 1,464,221 | $ (4,678) | $ 21,598,471 | $ 11,355,836 | $ 1,039 | $ (2,744,737) | $ 577,579 |
| **Other Changes in Fund Equity:** | | | | | | | |
| Increase in Unexpended Funds | | | | | | | |
| Bond Principal Payments | | | | | | | |
| Gain on Bond Redemption | | | | | | | 110,905 |
| Loss on Sale of Property | (2,516,701) | | | | | (1,702) | |
| Increase (Decrease) in Contributed Capital | 230,954 | | | | | 12,074,858 | |
| Distribution of Fund Balance | (620,954) | | | | | | |
| Net Increase (Decrease) in Fund Equity | $ (1,442,480) | $ (4,678) | $ 21,598,471 | $ 11,355,836 | $ 1,039 | $ 9,278,419 | $ 688,484 |
| Fund Equity, July 1 | $ 41,604,278 | $ 995,786 | $ 15,665,110 | $ 153,812,209 | $ | $ 15,743,820 | $ 8,754,289 |
| Prior Period Adjustment | | | | | | (330,038) | |
| Fund Equity, July 1, Restated | $ 41,604,278 | $ 995,786 | $ 15,665,110 | $ 153,812,209 | $ | $ 15,413,782 | $ 8,754,289 |
| Fund Equity, June 30 | $ 40,161,798 | $ 991,308 | $ 37,263,581 | $ 165,168,045 | $ 1,039 | $ 24,692,201 | $ 9,442,773 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-2-2

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1988

| | R.I. Public Buildings Authority | R.I. Student Loan Authority | R.I. Industrial Facilities Corporation | Howard Development Corporation | Convention Center Authority | R.I. Public Telecommunications Authority | Total |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Licenses, Fees, Sales and Services | $ 400,000 | $ | $ 376,541 | $ 2,836,281 | $ | $ 690,428 | $ 59,508,991 |
| Rental Income | 14,566,857 | | | | | | 18,524,226 |
| State of R.I. and Federal Grants | | | | | | 1,318,557 | 16,554,552 |
| Other Grants | | | | | | 464,108 | 464,108 |
| Interest | 5,461,582 | 11,285,572 | 40,783 | 145,309 | | | 155,417,754 |
| Other Income | 10,032 | | | 44,650 | | 155,222 | 881,943 |
| Total Revenues | $ 20,438,471 | $ 11,285,572 | $ 417,324 | $ 3,026,240 | $ | $ 2,628,315 | $ 251,351,574 |
| Expenses: | | | | | | | |
| Supplies, Materials, and Services | $ 354,552 | $ 2,494,294 | $ 150,728 | $ 2,262,271 | $ | $ 2,448,159 | $ 55,035,033 |
| Additions to Provision for Maintenance | | | | | | | 5,000,000 |
| Interest on Bonds and Notes | 9,633,997 | 8,407,559 | | | | | 133,550,926 |
| Depreciation, Depletion and Amortization | 220,463 | 16,079 | | | | | 10,493,997 |
| Miscellaneous | | 73,881 | | 12,578 | | | 3,302,326 |
| Total Expenses | $ 10,209,012 | $ 10,991,813 | $ 150,728 | $ 2,274,849 | $ | $ 2,448,159 | $ 207,382,282 |
| Excess (Deficiency) of Revenues over Expenses | $ 10,229,459 | $ 293,759 | $ 266,596 | $ 751,391 | $ | $ 180,156 | $ 43,969,292 |
| Other Changes in Fund Equity: | | | | | | | |
| Increase in Unexpended Funds | 760,890 | | | | | | 760,890 |
| Bond Principal Payments | (4,495,000) | | | | | | (4,495,000) |
| Gain on Bond Redemption | | | | | | | 110,905 |
| Loss on Sale of Property | | | | | | | (2,518,403) |
| Increase (Decrease) in Contributed Capital | | | | | | 105,260 | 12,361,072 |
| Distribution of Fund Balance | (4,747,471) | | (150,000) | | | | (5,518,425) |
| Net Increase (Decrease) in Fund Equity | $ 1,747,878 | $ 293,759 | $ 116,596 | $ 751,391 | $ | $ 285,416 | $ 44,670,331 |
| Fund Equity, July 1 | $ 62,876,500 | $ 6,398,002 | $ 628,069 | $ 4,663,209 | $ | $ 2,697,765 | $ 313,839,037 |
| Prior Period Adjustment | | | | | | (83,611) | (413,649) |
| Fund Equity, July 1, Restated | $ 62,876,500 | $ 6,398,002 | $ 628,069 | $ 4,663,209 | $ | $ 2,614,154 | $ 313,425,388 |
| Fund Equity, June 30 | $ 64,624,378 | $ 6,691,761 | $ 744,665 | $ 5,414,600 | $ | $ 2,899,570 | $ 358,095,719 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-3-1

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
## PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1988

| | R.I. Port Authority and Economic Development Corporation | R.I. Water Resources Board Corporate | R.I. Solid Waste Management Corporation | R.I. Housing and Mortgage Finance Corporation | R.I. Refunding Bond Authority | R.I. Public Transit Authority | R.I. Turnpike and Bridge Authority |
|---|---|---|---|---|---|---|---|
| Sources of Funds: | | | | | | | |
| Licenses, Fees, Sales, and Services | $ 2,978,563 | $ | $ 30,609,489 | $ 451,481 | $ | $ 6,493,445 | $ 8,681,750 |
| Rental Income | 3,879,702 | | | | | 77,667 | |
| Proceeds from Sale of Bonds and Notes | | 300,000 | 5,300,000 | 90,473,358 | 20,724,418 | | |
| Interest | 1,096,780 | 11,816 | 12,314,980 | 121,150,450 | 748 | 253,610 | 1,104,378 |
| Repayment of Loans | | | | 96,428,459 | | | |
| State of R.I. and Federal Grants | 364,301 | | | | | 25,580,173 | |
| Other Receipts | 974,828 | 300 | 43,102 | 5,976,039 | | 164,469 | 19,277 |
| Total Sources | $ 9,294,174 | $ 312,116 | $ 48,267,571 | $ 314,479,787 | $ 20,725,166 | $ 32,569,364 | $ 9,805,405 |
| Uses of Funds: | | | | | | | |
| Supplies, Materials, and Services | $ 9,204,529 | $ 86,364 | $ 11,112,262 | $ 5,508,195 | $ 643,345 | $ 22,593,302 | $ 5,151,638 |
| Loans Issued | | | | 42,607,680 | 19,992,299 | | |
| Debt Service | 6,647 | | 11,826,740 | 211,037,675 | 791,630 | 2,854,649 | 2,983,304 |
| Other Uses | 2,516,701 | | | 6,413,439 | 85,033 | 106,150 | 140,575 |
| Total Uses | $ 11,727,877 | $ 86,364 | $ 22,939,002 | $ 265,566,989 | $ 21,512,307 | $ 25,554,101 | $ 8,275,517 |
| Excess of Sources Over (Under) Uses | $ (2,433,703) | $ 225,752 | $ 25,328,569 | $ 48,912,798 | $ (787,141) | $ 7,015,263 | $ 1,529,888 |
| Other Changes in Financial Position: | | | | | | | |
| (Increase) Decrease in Investments | 2,804,832 | (236,795) | (21,600,663) | (54,463,321) | (4,489) | 3,698,644 | (1,119,794) |
| Increase in Fixed Assets | (503,024) | | (5,032,910) | | | (10,417,693) | |
| Increase in Unexpended Funds | | | | | | | |
| Interfund and Intrafund Transfers | (620,954) | | | | 791,630 | (330,038) | (400,000) |
| Increase in Cash Overdraft | | | 359,847 | | | | |
| (Increase) Decrease in Other Assets | 14,749 | | (2,727,800) | (789,112) | | | |
| Increase (Decrease) in Cash | $ (738,100) | $ (11,043) | $ (3,672,957) | $ (6,339,635) | $ | $ (33,824) | $ 10,094 |
| Cash Balance, July 1 | $ 833,939 | $ 15,449 | $ 3,673,457 | $ 23,956,008 | $ | $ 78,744 | $ 383,908 |
| Prior Period Adjustment | | | | | | | |
| Cash Balance, July 1, Restated | $ 833,939 | $ 15,449 | $ 3,673,457 | $ 23,956,008 | $ | $ 78,744 | $ 383,908 |
| Cash Balance, June 30 | $ 95,839 | $ 4,406 | $ 500 | $ 17,616,373 | $ | $ 44,920 | $ 394,002 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-3-2

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
## PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1988

| | R.I. Public Buildings Authority | R.I. Student Loan Authority | R.I. Industrial Facilities Corporation | Howard Development Corporation | Convention Center Authority | R.I. Public Telecommunications Authority | Total |
|---|---|---|---|---|---|---|---|
| Sources of Funds: | | | | | | | |
| Licenses, Fees, Sales, and Services | $ 400,000 | $ | $ 376,541 | $ 2,788,281 | $ | $ 695,340 | $ 53,474,890 |
| Rental Income | 9,819,386 | | | 2,550 | | | 13,779,305 |
| Proceeds from Sale of Bonds and Notes | 21,445,460 | 14,325,499 | | | | | 152,568,735 |
| Interest | 5,010,329 | 9,084,041 | 40,783 | 134,844 | | | 150,202,759 |
| Repayment of Loans | | 15,781,364 | | | | | 112,209,823 |
| State of R.I. and Federal Grants | | | | | | 1,318,557 | 27,263,031 |
| Other Receipts | 10,032 | | | 42,100 | 185,000 | 724,590 | 8,139,737 |
| Total Sources | $ 36,685,207 | $ 39,190,904 | $ 417,324 | $ 2,967,775 | $ 185,000 | $ 2,738,487 | $ 517,638,280 |
| Uses of Funds: | | | | | | | |
| Supplies, Materials, and Services | $ 355,463 | $ 308,602 | $ 150,728 | $ 2,263,000 | $ 133,345 | $ 2,470,732 | $ 59,981,505 |
| Loans Issued | | 14,323,955 | | | | | 76,923,934 |
| Debt Service | 12,877,758 | 23,698,643 | | | | | 266,077,046 |
| Other Uses | | 73,881 | 159,512 | 12,578 | | | 9,507,869 |
| Total Uses | $ 13,233,221 | $ 38,405,081 | $ 310,240 | $ 2,275,578 | $ 133,345 | $ 2,470,732 | $ 412,490,354 |
| Excess of Sources Over (Under) Uses | $ 23,451,986 | $ 785,823 | $ 107,084 | $ 692,197 | $ 51,655 | $ 267,755 | $ 105,147,926 |
| Other Changes in Financial Position: | | | | | | | |
| (Increase) Decrease in Investments | (3,336,647) | (762,306) | (190,784) | (2,820,017) | | | (78,031,340) |
| Increase in Fixed Assets | (15,333) | (5,283) | | | | (134,076) | (16,108,319) |
| Increase in Unexpended Funds | 760,890 | | | | | | 760,890 |
| Interfund and Intrafund Transfers | | | | | | | |
| Increase in Cash Overdraft | | | | | | | (559,362) |
| (Increase) Decrease in Other Assets | (20,454,518) | | 26,747 | 2,114,649 | | | 359,847<br>(21,815,285) |
| Increase (Decrease) in Cash | $ 406,378 | $ 18,234 | $ (56,953) | $ (13,171) | $ 51,655 | $ 133,679 | $ (10,245,643) |
| Cash Balance, July 1 | $ 153,159 | $ 51,771 | $ 79,026 | $ 31,569 | $ | $ 289,772 | $ 29,546,802 |
| Prior Period Adjustment | | | | | | (83,611) | (83,611) |
| Cash Balance, July 1, Restated | $ 153,159 | $ 51,771 | $ 79,026 | $ 31,569 | $ | $ 206,161 | $ 29,463,191 |
| Cash Balance, June 30 | $ 559,537 | $ 70,005 | $ 22,073 | $ 18,398 | $ 51,655 | $ 339,840 | $ 19,217,548 |

# STATISTICAL SECTION

(Exhibits S-1 through S-26)

# STATISTICAL SECTION

Exhibit/
Schedule

GENERAL FUND:

General Fund Revenues - Ten Years.......... S-1

Chart of Revenues - Ten Years.......... S-2

General Revenue by Source - Ten Years.......... S-3

Summary of Principal Sources of General Revenue - Five Years.......... S-4

Expenditures - Ten Years.......... S-5

Chart of Expenditures - Ten Years.......... S-6

Expenditures by Function - Five Years.......... S-7

Comparative Summary of Expenditures by Budget Accounts - Five Years.......... S-8

Federal Grant Expenditures - Five Years.......... S-9

Chart of Unreserved Fund Balance - Ten Years.......... S-10

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-1

GENERAL FUND REVENUES

Ten Year Period Ended June 30, 1988

| Fiscal Year | Total Revenues(1) | % | General Revenues | % | Departmental Restricted | % | Federal Grants(2) | % |
|---|---|---|---|---|---|---|---|---|
| 1979 | $ 881,447,251 | 13.7 | $ 626,968,393 | 15.5 | $ 11,206,068 | 25.9 | $ 243,272,790 | 9.0 |
| 1980 | 950,883,014 | 7.9 | 657,561,541 | 4.9 | 15,496,488 | 38.3 | 277,824,986 | 14.2 |
| *1981 | 1,036,019,003 | 9.0 | 719,162,602 | 9.4 | 11,239,898 | (27.5) | 305,616,503 | 10.0 |
| 1982 | 1,105,992,970 | 6.8 | 790,950,416 | 10.0 | 12,214,468 | 8.7 | 302,828,086 | (0.9) |
| 1983 | 1,160,806,905 | 5.0 | 850,342,692 | 7.5 | 18,621,321 | 52.5 | 291,842,892 | (3.6) |
| 1984 | 1,272,355,351 | 9.6 | 934,949,698 | 9.9 | 26,561,371 | 42.6 | 310,844,282 | 6.5 |
| 1985 | 1,375,062,130 | 8.1 | 1,013,208,992 | 8.4 | 30,287,329 | 14.0 | 331,565,809 | 6.7 |
| 1986 | 1,441,562,190 | 4.8 | 1,043,643,365 | 3.0 | 31,207,010 | 3.0 | 366,711,815 | 10.6 |
| 1987 | 1,564,681,046 | 8.5 | 1,165,809,183 | 11.7 | 37,765,832 | 21.0 | 361,106,031 | (1.5) |
| 1988 | 1,672,980,057 | 6.9 | 1,247,859,071 | 7.0 | 48,381,677 | 28.1 | 376,739,309 | 4.3 |

Note: Percentages indicate increase (decrease) from prior year.

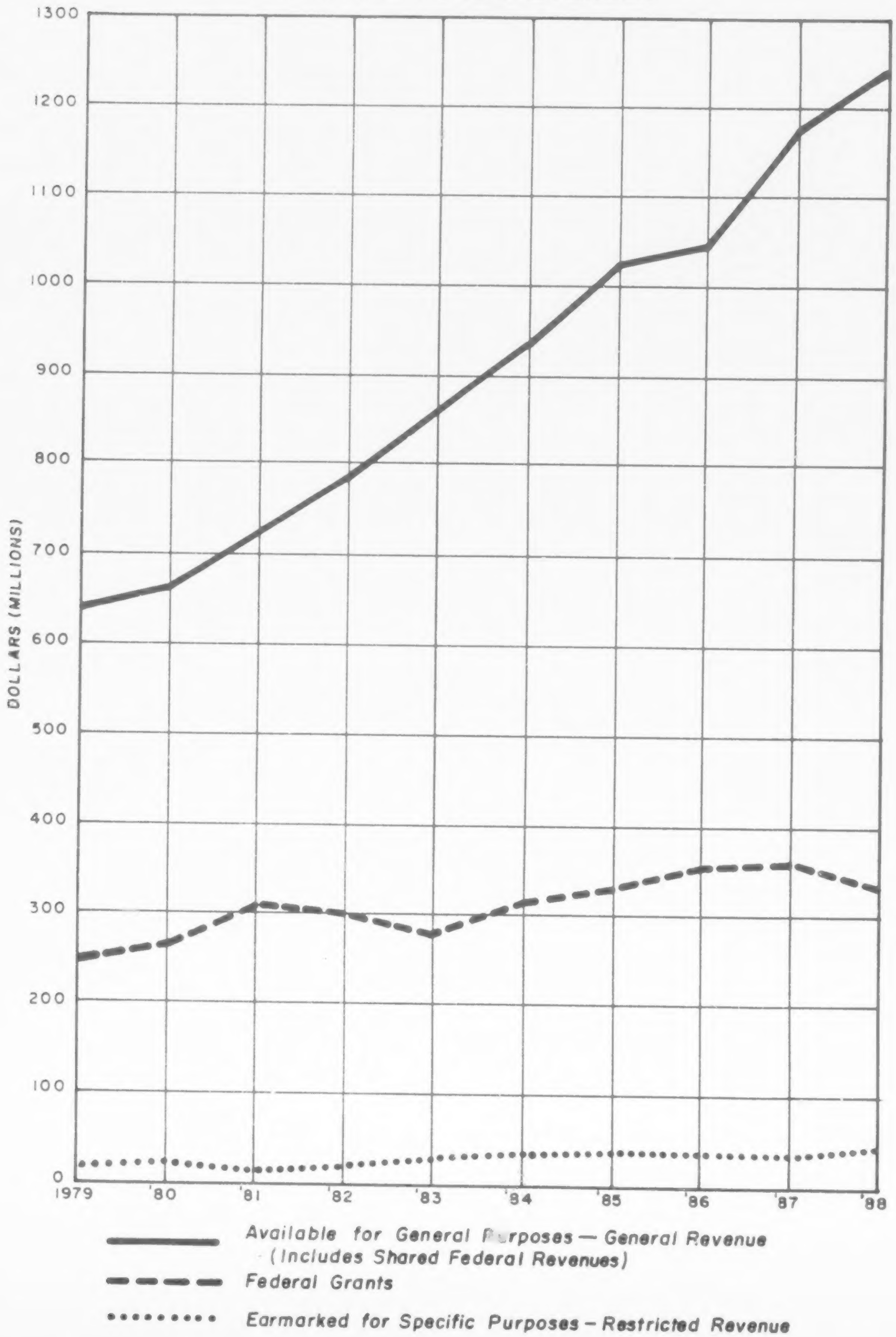
(1) Includes shared revenue of $10,251,147 - 1979; $9,801,003 - 1980; $9,801,003 - 1980; $2,645,606 - 1981; $216,794 - 1983.

(2) Includes Federal Funds transferred from the Department of Economic Development - CETA Funds of $7,436,522 - 1979; $4,991,895 - 1980; $2,379,623 - 1981; $542,024 - 1982; $135,730 - 1983; $261,732 - 1984.

*Beginning in 1981, the modified-accrual basis of reporting revenues was changed to reflect revenue recognition in accordance with Statement 1, Principles of Recording Revenues on the Accrual Basis.

Exhibit S-2

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
## GENERAL FUND REVENUES



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-3

## GENERAL FUND
## GENERAL REVENUE BY SOURCE

Ten Year Period Ended June 30, 1988

| Fiscal Year | Taxes | Licenses and Fees | Fines and Penalties | Sales and Services | Miscellaneous Revenue |
|---|---|---|---|---|---|
| 1979 | $ 528,173,025 | $ 6,222,228 | $ 4,533,318 | $ 61,493,067 | $ 16,295,608 |
| 1980 | 539,688,448 | 6,681,375 | 5,606,197 | 72,348,233 | 23,436,285 |
| *1981 | 602,602,507 | 7,232,689 | 5,895,199 | 77,857,295 | 23,109,306 |
| 1982 | 664,557,767 | 9,167,448 | 7,884,545 | 86,409,836 | 22,930,819 |
| 1983 | 714,945,405 | 11,013,140 | 9,333,640 | 94,163,869 | 20,669,844 |
| 1984 | 791,521,183 | 12,040,276 | 12,012,094 | 94,480,775 | 24,895,370 |
| 1985 | 857,653,715 | 13,243,960 | 15,483,387 | 99,364,141 | 27,463,789 |
| 1986 | 887,827,108 | 13,901,357 | 8,753,493 | 102,670,718 | 30,490,689 |
| **1987 | 1,032,874,493 | 14,295,992 | 11,916,258 | 97,532,079 | 9,190,361 |
| 1988 | 1,103,199,121 | 15,979,205 | 12,293,697 | 101,551,932 | 14,835,116 |

*Beginning in 1981, the modified-accrual basis of reporting revenues was changed to reflect revenue recognition in accordance with Statement 1, Principles of Recording Revenues on the Accrual Basis.

**Beginning in 1987, Lottery Fund transfers to the General Fund were classified as an other financing source.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

EXHIBIT S-4

GENERAL FUND
SUMMARY OF PRINCIPAL SOURCES OF GENERAL REVENUE OF THE STATE
EXCLUSIVE OF FEDERAL GRANTS

LAST FIVE FISCAL YEARS

| | | Years Ended June 30 | | | | |
|---|---|---|---|---|---|---|
| | | 1988 | 1987 | 1986 | 1985 | 1984 |
| (1) | Motor Vehicles - Registration and Licenses | $ 21,043,370 | $ 21,450,846 | $ 21,142,132 | $ 19,383,201 | $ 17,922,122 |
| (2) | Gasoline Tax | 44,704,781 | 43,487,116 | 47,719,991 | 46,190,701 | 45,970,102 |
| (3) | Motor Fuel Excise Tax | 5,119,208 | 8,917,432 | 4,205,698 | | |
| (4) | Tax on Savings Banks, Trust Companies, etc | 8,021,443 | 7,156,193 | 7,773,667 | 6,590,575 | 6,286,620 |
| | Inheritance Tax | 21,972,540 | 18,431,209 | 15,743,650 | 13,108,475 | 9,311,515 |
| (5) | Taxes on Fees - Pari-Mutuel Betting (State's Share) | 10,570,909 | 6,390,661 | 5,591,295 | 5,658,922 | 5,294,147 |
| | Cigarette Tax | 33,524,833 | 29,464,152 | 29,873,404 | 29,123,111 | 29,309,816 |
| | Tax on Insurance Companies | 30,361,543 | 27,392,720 | 22,572,289 | 17,364,066 | 16,392,628 |
| (6) | Income Tax - Financial Institutions | 14,026,996 | 6,542,609 | 3,473,618 | 2,501,647 | (2,043,361) |
| | Sales and Use Tax | 381,200,523 | 351,465,312 | 301,064,204 | 278,164,870 | 245,554,863 |
| (7) | Business Corporation Tax | 66,649,532 | 81,602,024 | 64,115,746 | 68,249,023 | 57,020,363 |
| (8) | Personal Income Tax | 389,646,718 | 358,827,987 | 285,342,600 | 284,259,092 | 284,188,650 |
| (9) | Gross Earnings - Public Utilities | 54,113,382 | 56,105,766 | 63,126,164 | 70,048,986 | 58,881,615 |
| (10) | Alcoholic Beverage Import Fees | 7,746,945 | 7,680,511 | 7,713,692 | 7,561,075 | 7,637,442 |
| (11) | Gross Earnings Tax - Petroleum Companies | 310,431 | 115,466 | 2,041,729 | 3,814,655 | 5,196,558 |

## TAX RATE CHANGES

(1) License renewals prior to January 1, 1985 were for a period of two years and carried a fee of $8.00. Subsequent to that date, the license renewal period was extended to five years, and the fee increased to $10.00 (Ch. 439, P.L. 1984). Effective January 1, 1988 a two-year registration system was implemented (Ch. 167, P.L. 1986).

(2) Effective April 1, 1983, the tax rate was increased to 11% of the wholesale selling price, but not less than $.13 per gallon for making appropriations for the financial support of the Rhode Island Public Transit Authority (Ch. 167, P.L. 1983). Effective July 1, 1985, $.02 of the tax imposed was for making such appropriations (Ch. 181, P.L. 1985). Effective July 1, 1986, $.03 of the tax imposed was used for the financial support of the Rhode Island Public Transit Authority (Ch. 287, P.L. 1986).

(3) Effective January 1, 1986, an excise tax equal to 1% of the wholesale price of motor fuels sold was established (Ch. 181, P.L. 1985).

(4) Effective May 11, 1984, a banking institution was not subject to this tax if such institution has a net worth equal to or less than three percent of its assets. This provision expired on October 15, 1985. Effective June 25, 1986, the rate of tax on bank deposits was decreased to $.0695 per hundred dollars for institutions with more than $150,000,000 in deposits and $.0615 per hundred dollars for institutions with $150,000,000 or less in deposits.

(5) Effective July 1, 1988 monies formerly distributed as shared revenue to municipalities is recorded as general revenue (Ch. 118, P.L. 1987).

(6) On January 24, 1983, the U.S. Supreme Court found in the Memphis Bank and Trust Co. vs. Garner, Shelby County Trustee, et al, case that Tennessee's local excise tax on bank earnings was discriminatory. This resulted from the inclusion of earnings from U.S. obligations, but not earnings from Tennessee obligations in the definition of taxable income. As a result of this decision, Rhode Island's taxable income now excludes earnings from U.S. obligations. Since a number of institutions filed amended returns reflecting this change in definition during Fiscal Year 1984 for the prior two tax years, revenue collections reflect the excess of refunds issued over taxes received.

(7) For the period, January 1, 1983 through December 31, 1983, the rate increased from 8% to 9% of net income, and 8% thereafter (Ch. 2, P.L. 1983).

(8) On July 1, 1984, the rate was set at 25% making an effective rate for calendar year 1984 of 25.5% (Ch. 245, P.L. 1984). As of January 1, 1985, the personal income tax was reduced to 23.65% (Ch. 5, P.L. 1985). Also, the tax revenue for fiscal year 1985 reflects the distribution of approximately 11.5 million dollars of tax rebates to the majority of tax filers. This is as a result of legislation enacted which, in effect, changed the rate for calendar year 1984 to 24.5% (Ch. 6, P.L. 1985). The effective rate for calendar year 1985 was reduced to 23.15% (Ch. 181, P.L. 1985). Effective January 1, 1986, the rate was reduced to 21.65% of the federal tax liability, but was subsequently adjusted upward to 22.21% (Ch. 181, P.L. 1985) to accommodate State revenue losses resulting from the estimated value of federal indexing. The fiscal 1987 Appropriations Act provided for a state personal income tax rate of twenty-two and sixty-five one-hundredth percent (22.65%), in the event that annual indexing of the Federal personal income tax took place on January 1, 1987 as provided under provisions of the Economic Recovery Tax Act of 1981 or under similar but newly enacted legislation as passed by the United States Congress. However, the signing into law on October 22, 1986 of the Federal Tax Reform Act of 1986, necessitated that a new rate be set for the period of January 1, 1987 equal to 23.96%. This rate is contained in the 1988 Appropriation Act, which also provides for a reduction on July 1, 1987 to 22.96% of the taxpayer's federal liability. The effective rate for calendar year 1987 was 23.46% (Ch. 287, P.L. 1985).

(9) Legislation was enacted during the 1983 Session of the General Assembly providing for the following changes in the rates of taxation: (a) for telecommunications corporations effective July 1, 1983, an increase in the rate for 8% to 10% of gross earnings to be reduced to 9% effective July 1, 1985, and 8% effective July 1, 1986; and (b) for public service cable corporations, a rate of 8% effective July 1, 1983. Effective July 1, 1987 the gross earnings tax rate of telecommunications corporations was reduced to 7%.

(10) Effective July 1, 1983 the fee on cordials under 50 proof was increased from $1.00 to $2.50. During Fiscal Year 1984, such tax revenues were deposited in a restricted account and were used for appropriation in support of designated health organizations.

(11) A tax of 1% on gross earnings of petroleum companies applied to calendar years beginning on January 1, 1982 and thereafter (Ch. 9 and 344, P.L. 1982). Effective July 1, 1983, 6% of the 1% tax ($3,000,000 maximum annually) is to be deposited into a restricted account to be used by the Department of Transportation for the resurfacing and rehabilitation of highways (Ch. 312, P.L. 1982). Effective January 1, 1984, "gross earnings" does not include those earnings from sales of fuel used in the heating of homes and residential premises. Effective January 1, 1986, Chapter 44-41 of the General Laws entitled "Gross Earnings Tax on Petroleum Companies" was repealed (Ch. 181, P.L. 1985).

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-5

## GENERAL FUND
## EXPENDITURES

Ten Year Period Ended June 30, 1988

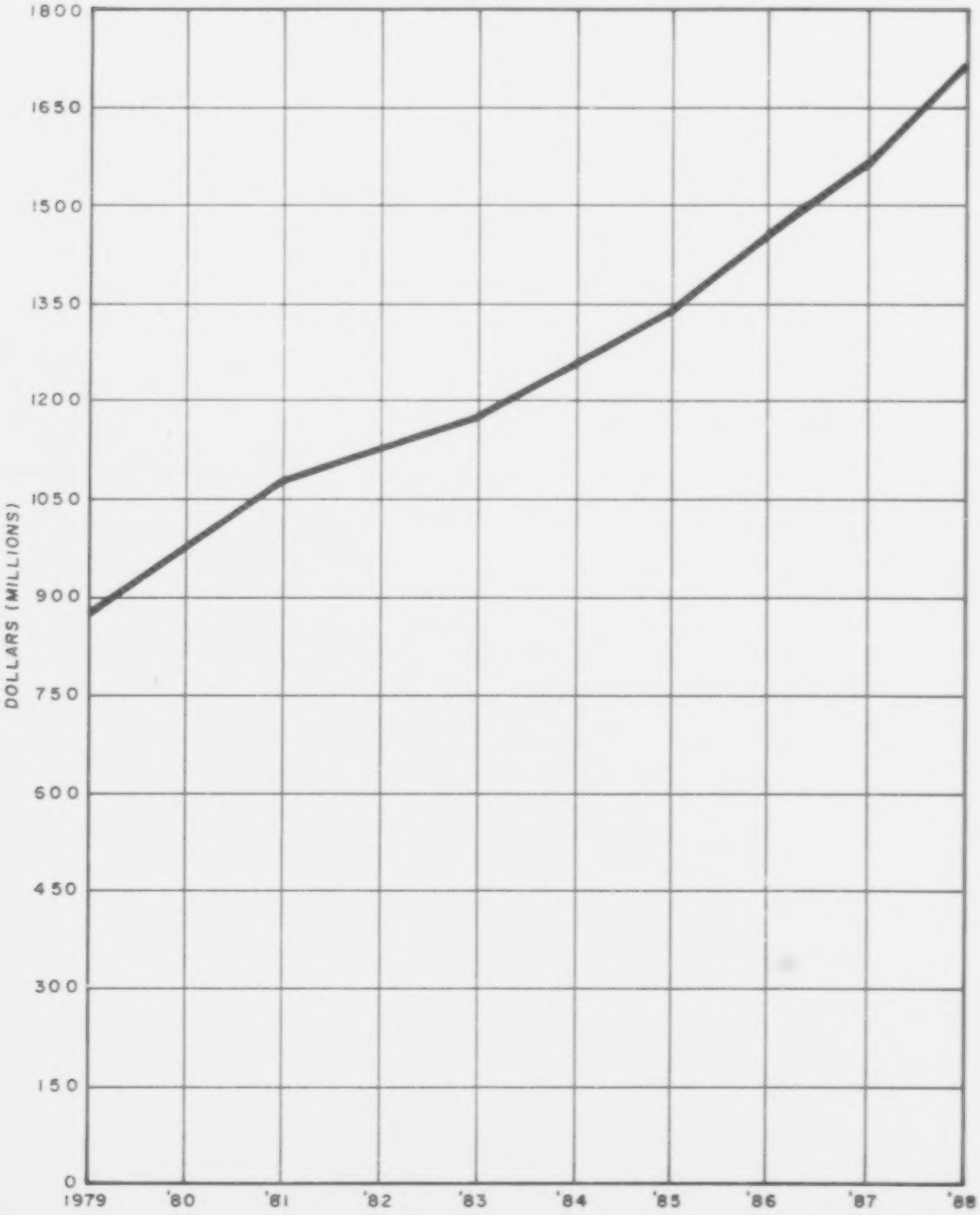
| Fiscal Year | General | (1) % | Federal Grants | (1) % | Departmental Restricted and Interfund Transfers | (1) % | (Exhibit S-8) Total Expenditures | (1) % |
|---|---|---|---|---|---|---|---|---|
| 1979 | $ 607,400,721 | 7.2 | $ 237,366,985 | 8.5 | $ 19,972,368 | 15.0 | $ 864,740,074 | 7.8 |
| *1980 | 675,385,979 | 11.2 | 278,367,335 | 17.3 | 19,611,224 | (1.8) | 973,364,538 | 12.6 |
| 1981 | 756,451,958 | 12.0 | 296,711,996 | 6.6 | 13,930,796 | (29.0) | 1,067,094,750 | 9.6 |
| 1982 | 821,246,910 | 8.6 | 300,773,975 | 1.4 | 12,519,735 | (10.1) | 1,134,540,620 | 6.3 |
| 1983 | 858,299,233 | 4.5 | 295,354,631 | (1.8) | 17,260,068 | 37.9 | 1,170,913,932 | 3.2 |
| 1984 | 901,640,363 | 5.0 | 313,971,776 | 6.3 | 26,219,027 | 51.9 | 1,241,831,166 | 6.1 |
| 1985 | 972,577,002 | 7.9 | 340,058,404 | 8.3 | 28,919,112 | 10.3 | 1,341,554,518 | 8.0 |
| 1986 | 1,052,432,002 | 8.2 | 353,864,502 | 4.1 | 29,413,108 | 1.7 | 1,435,709,612 | 7.0 |
| 1987 | 1,130,879,187 | 7.5 | 364,765,307 | 3.1 | 35,338,923 | 20.1 | 1,530,983,417 | 6.6 |
| 1988 | 1,255,685,300 | 11.0 | 389,745,411 | 6.7 | 45,583,790 | 29.0 | 1,690,514,501 | 10.4 |

(1) Percentages indicate increase (decrease) from prior years.

*Restated.

Exhibit S-6

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
## GENERAL FUND EXPENDITURES



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-7

GENERAL FUND
EXPENDITURES BY FUNCTION

FIVE YEAR PERIOD ENDED JUNE 30, 1988

| | 1988 | 1987 | 1986 | 1985 | 1984 |
|---|---|---|---|---|---|
| INDIVIDUAL AND FAMILY DEVELOPMENT | | | | | |
| Health | $ 530,570,472 | $ 486,381,292 | $ 461,547,207 | $ 444,097,089 | $ 419,828,791 |
| Social Assistance | 299,586,883 | 272,809,046 | 253,766,962 | 234,458,230 | 217,989,103 |
| Education | 500,164,455 | 451,935,708 | 422,156,264 | 387,685,144 | 354,702,543 |
| Total - Individual and Family Development | $ 1,330,321,810 | $ 1,211,126,046 | $ 1,137,470,433 | $ 1,066,240,463 | $ 992,520,437 |
| ECONOMIC DEVELOPMENT | | | | | |
| Employment Resources | $ 23,745,184 | $ 24,787,704 | $ 24,709,353 | $ 25,190,130 | $ 21,503,198 |
| Natural Resources | 26,396,255 | 25,681,767 | 21,572,010 | 19,692,090 | 18,505,627 |
| Business Resources | 14,641,579 | 12,468,981 | 12,314,115 | 12,221,782 | 11,367,047 |
| Total - Economic Development | $ 64,783,018 | $ 62,938,452 | $ 58,595,478 | $ 57,104,002 | $ 51,375,872 |
| PUBLIC SAFETY | | | | | |
| Highway Safety | $ 14,184,431 | $ 11,973,250 | $ 10,685,829 | $ 11,038,794 | $ 8,184,727 |
| Crime Prevention | 22,668,896 | 20,685,348 | 18,493,194 | 17,151,230 | 16,022,163 |
| Civil and State Defense | 6,601,791 | 5,995,751 | 9,200,258 | 6,225,819 | 4,651,216 |
| Industrial Safety | 1,273,526 | 1,098,895 | 980,016 | 806,278 | 696,942 |
| Water and Recreational Safety | 1,021,147 | 724,983 | 369,988 | 269,755 | 254,167 |
| Fire Protection | 1,310,738 | 1,114,836 | 1,085,615 | 908,245 | 2,053,193 |
| Total - Public Safety | $ 47,060,529 | $ 41,593,063 | $ 40,814,900 | $ 36,400,121 | $ 31,862,408 |
| TRANSPORTATION | | | | | |
| Highway System | $ 55,781,560 | $ 49,819,302 | $ 45,204,301 | $ 39,981,991 (1) | $ 39,999,005 |
| Air Transport System | 6,448,014 | 6,461,639 | 6,753,829 | 7,434,365 | 9,132,215 |
| Motor Bus System | 17,975,774 | 17,893,932 | 14,061,812 | 13,549,549 (1) | 12,017,392 |
| Water Transport System | 1,876 | 10,780 | 7,076 | 2,450 | 6,416 |
| Rail Transport System | 3,230,880 | 184,605 | 624 | 30,000 | 121,726 |
| Total - Transportation | $ 83,438,104 | $ 74,370,258 | $ 66,027,642 | $ 60,998,355 | $ 61,276,754 |
| COMPREHENSIVE SUPPORT | | | | | |
| Executive | $ 14,224,068 | $ 13,215,486 | $ 11,375,654 | $ 10,552,017 | $ 9,698,280 |
| Administrative | 37,829,638 | 34,444,145 | 34,055,303 | 32,915,484 | 28,700,290 |
| Community Affairs | 63,850,460 | 43,068,132 | 41,634,524 | 32,896,365 | 26,168,003 |
| Legislative | 10,523,517 | 9,446,376 | 9,501,420 | 7,616,434 | 6,933,865 |
| Judicial | 29,827,815 | 26,348,228 | 24,256,821 | 22,786,529 | 20,609,887 |
| Election Board | 1,736,750 | 1,942,779 | 1,680,054 | 2,003,240 | 1,572,131 |
| Consumer Protection | 344,416 | 334,763 | 317,971 | 294,301 | 268,629 |
| Miscellaneous | 6,574,376 | 12,155,689 | 9,979,412 | 11,747,207 | 10,844,610 |
| Total - Comprehensive Support | $ 164,911,040 | $ 140,955,598 | $ 132,801,159 | $ 120,811,577 | $ 104,795,695 |
| TOTAL | $ 1,690,514,501 | $ 1,530,983,417 | $ 1,435,709,612 | $ 1,341,554,518 | $ 1,241,831,166 |

(1) Adjusted for proper comparisions.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-8-1

General Fund
Comparative Summary of Expenditures
By Budget Accounts

Five Year Period Ended June 30, 1988

| Budget Accounts | Years Ended June 30 | | | | |
|---|---|---|---|---|---|
| | 1988 | 1987 | 1986 | 1985 | 1984 |
| **PERSONAL SERVICES** | | | | | |
| Classified | $ 235,956,712 | $ 215,743,065 | $ 211,048,211 | $ 204,804,362 | $ 189,699,698 |
| Unclassified | 56,480,782 | 49,738,923 | 44,655,312 | 42,440,237 | 39,585,625 |
| Non-Classified | 11,004,444 | 9,029,435 | 8,387,075 | 7,775,433 | 7,205,200 |
| Special | 37,681,477 | 30,449,019 | 24,362,947 | 19,427,146 | 18,095,663 |
| Total | $ 341,123,415 | $ 304,960,442 | $ 288,453,545 | $ 274,447,178 | $ 254,586,186 |
| Employee Benefit Programs | | | | | |
| Employees' Retirement | $ 36,360,245 | $ 32,300,557 | $ 35,905,707 | $ 34,072,012 | $ 28,116,746 |
| Social Security (F. I. C. A.) | 20,620,148 | 18,142,744 | 17,345,865 | 16,538,038 | 14,815,868 |
| Unemployment Compensation - State Employees | 553,181 | 787,082 | 657,743 | 685,848 | 1,178,326 |
| Employees' Medical Insurance | 33,418,349 | 27,033,353 | 25,064,163 | 22,988,213 | 22,291,602 |
| Teachers' Insurance and Annuity Association | 25,370 | 20,313 | 18,785 | 17,327 | 15,989 |
| Total - Employee Benefit Programs | $ 90,977,293 | $ 78,284,049 | $ 78,992,263 | $ 74,301,438 | $ 66,418,531 |
| Total - Personal Services | $ 432,100,708 | $ 383,244,491 | $ 367,445,808 | $ 348,748,616 | $ 321,004,717 |
| **OPERATING SUPPLIES AND EXPENSES** | | | | | |
| General and Office Expense | | | | | |
| Postage | $ 2,720,162 | $ 2,609,594 | $ 2,374,325 | $ 2,460,063 | $ 2,140,517 |
| Telephone and Telegraph | 5,470,156 | 5,755,058 | 5,870,460 | 5,264,596 | 4,854,829 |
| Office Expense | 1,999,440 | 1,706,434 | 1,560,827 | 1,527,806 | 1,337,426 |
| Dues and Subscriptions | 1,398,329 | 1,165,504 | 1,101,451 | 922,527 | 772,081 |
| Freight, Cartage, and Express | 687,776 | 867,916 | 620,503 | 750,210 | 624,964 |
| Insurance | 964,305 | 897,291 | 705,813 | 742,081 | 1,187,224 |
| Record Center Charges | 25,440 | | | | |
| Total - General and Office Expense | $ 13,265,608 | $ 13,001,797 | $ 12,233,379 | $ 11,667,283 | $ 10,917,041 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-8-2

General Fund
Comparative Summary of Expenditures
By Budget Accounts

Five Year Period Ended June 30, 1988

| Budget Accounts | Years Ended June 30<br>1988 | 1987 | 1986 | 1985 | 1984 |
|---|---|---|---|---|---|
| OPERATING SUPPLIES AND EXPENSES (Con't.) | | | | | |
| Printing, Binding, and Advertising | $ 5,856,393 | $ 5,510,555 | $ 4,323,847 | $ 4,238,949 | $ 3,537,691 |
| Travel | | | | | |
| Personnally-Owned Cars | $ 1,220,595 | $ 1,214,225 | $ 1,262,254 | $ 1,345,407 | $ 1,382,367 |
| Out-of-State | 1,471,521 | 1,023,110 | 947,775 | 898,521 | 741,429 |
| Other Travel | 130,190 | 144,658 | 154,875 | 156,630 | 165,245 |
| Total Travel | $ 2,822,306 | $ 2,381,993 | $ 2,364,904 | $ 2,400,558 | $ 2,289,041 |
| Automotive Expense | $ 6,806,945 | $ 6,063,976 | $ 5,617,988 | $ 4,983,139 | $ 5,110,140 |
| Repairs | | | | | |
| Repairs and Maintenance - Buildings | $ 5,426,841 | $ 4,038,665 | $ 3,339,172 | $ 4,127,043 | $ 2,652,411 |
| Repairs and Maintenance - Highways and Walks | 1,398,247 | 1,611,215 | 2,115,813 | 1,586,382 | 1,034,513 |
| Other Repairs | 3,063,472 | 2,555,440 | 1,952,008 | 1,700,421 | 1,550,217 |
| Total - Repairs | $ 9,888,560 | $ 8,205,320 | $ 7,406,993 | $ 7,413,846 | $ 5,237,141 |
| Equipment - Replacements | | | | | |
| Automotive Equipment | $ 333,892 | $ 488,471 | $ 744,166 | $ 678,599 | $ 454,874 |
| Building and Plant Equipment | 40,730 | 109,551 | 13,903 | 59,795 | 134,002 |
| Construction Equipment | 360,017 | 219,131 | 313,374 | 11,196 | 304,966 |
| Educational and Recreational Equipment | 32,911 | 23,111 | 45,654 | 17,771 | 16,116 |
| Farm Equipment and Livestock | 6,638 | 13,145 | 8,317 | 8,639 | |
| Household Furniture and Equipment | 124,256 | 369,531 | 107,863 | 99,662 | 70,902 |
| Medical, Surgical, and Laboratory Equipment | 37,111 | 33,727 | 37,161 | 5,945 | 26,089 |
| Office Furniture and Equipment | 218,290 | 128,368 | 166,499 | 131,382 | 177,402 |
| Other Equipment - Replacements | 678,469 | 143,741 | 103,803 | 311,907 | 85,289 |
| Total - Equipment - Replacements | $ 1,832,314 | $ 1,528,776 | $ 1,540,740 | $ 1,324,896 | $ 1,269,640 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-8-3

## General Fund
## Comparative Summary of Expenditures
## By Budget Accounts

Five Year Period Ended June 30, 1988

| Budget Accounts | Years Ended June 30 | | | | |
|---|---|---|---|---|---|
| | 1988 | 1987 | 1986 | 1985 | 1984 |
| **OPERATING SUPPLIES AND EXPENSES (Con't)** | | | | | |
| Rentals | | | | | |
| Rentals of Outside Property | $ 13,984,880 | $ 11,698,813 | $ 10,275,023 | $ 9,475,675 | $ 6,702,363 |
| Rental of Equipment | 4,504,476 | 4,739,030 | 3,033,778 | 3,602,748 | 4,313,138 |
| Rental of Clothing | 17,133 | 13,995 | 14,601 | 18,333 | 16,283 |
| Rental Payments - Master Lease Program | 901,489 | | | | |
| Total - Rentals | $ 19,407,978 | $ 16,451,838 | $ 13,323,402 | $ 13,096,756 | $ 11,031,784 |
| Food | $ 14,922,661 | $ 13,896,549 | $ 14,189,289 | $ 14,145,332 | $ 13,692,793 |
| Fuel | $ 4,998,228 | $ 4,758,001 | $ 6,097,364 | $ 7,948,431 | $ 8,573,997 |
| Light, Heat, Power and Water | $ 6,436,271 | $ 5,676,848 | $ 5,712,043 | $ 6,038,588 | $ 5,841,937 |
| Special Supplies and Expenses | | | | | |
| Clothing and Clothing Materials | $ 1,103,872 | $ 1,235,688 | $ 935,309 | $ 936,662 | $ 901,415 |
| Patients' Linens | 38,504 | 40,960 | 45,257 | 82,111 | 63,153 |
| Agricultural, Horticultural, and Fishery | 188,300 | 245,336 | 206,415 | 120,595 | 114,386 |
| Educational and Recreational | 849,368 | 713,593 | 627,754 | 522,289 | 456,539 |
| Household, Laundry, and Cleaning | 1,648,803 | 1,470,013 | 1,439,892 | 1,466,326 | 1,399,941 |
| Medical, Surgical, and Laboratory | 6,727,179 | 5,349,337 | 4,247,650 | 3,741,933 | 3,328,449 |
| Military | 71,792 | 90,880 | 45,787 | 55,392 | 46,474 |
| Highway Safety and Landscaping | 3,205,826 | 3,338,954 | 2,470,316 | 2,538,714 | 2,376,847 |
| Building and Machinery | 522,367 | 393,013 | 346,054 | 314,113 | 305,172 |
| Central Services (Data Processing, etc.) | 6,172,170 | 5,677,644 | 5,656,196 | 5,624,034 | 4,865,253 |
| Medicines and Drugs | 3,727,866 | 3,301,476 | 2,585,816 | 1,857,896 | 1,614,513 |
| Staff Education | 596,800 | 573,287 | 242,251 | 397,703 | 175,032 |
| Central Laundry Services | 1,488,471 | 1,405,481 | 1,455,343 | 1,474,558 | 1,630,979 |
| Facilities Service Charges | 150,907 | | | | |
| Administrative Costs - Workers' Compensation | 725,128 | 561,032 | | | |
| Audit Costs - Federal Grants | 376,228 | 366,658 | 358,709 | 331,566 | 310,545 |
| Purchase of Services from Statewide Planning | 1,776,028 | 1,707,150 | 1,387,230 | 876,567 | 708,514 |
| Total - Special Supplies and Expenses | $ 29,369,609 | $ 26,470,502 | $ 22,049,979 | $ 20,340,459 | $ 18,297,212 |
| Other Operating Supplies and Expenses | $ 3,911,820 | $ 2,467,824 | $ 1,813,117 | $ 1,987,402 | $ 1,489,351 |
| **Total - Operating Supplies and Expenses** | **$ 119,518,693** | **$ 106,413,979** | **$ 96,673,045** | **$ 95,585,639** | **$ 87,287,768** |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-8-4

General Fund
Comparative Summary of Expenditures
By Budget Accounts

Five Year Period Ended June 30, 1988

| Budget Accounts | 1988 | 1987 | 1986 | 1985 | 1984 |
|---|---|---|---|---|---|
| | Years Ended June 30 | | | | |
| **CAPITAL OUTLAYS** | | | | | |
| Automotive Equipment | $ 3,866,700 | $ 1,380,725 | $ 1,153,883 | $ 633,525 | $ 65,220 |
| Building and Plant Equipment | 11,451 | 9,602 | 12,729 | 30,155 | 70,987 |
| Construction Equipment | 150,023 | 61,847 | 99,222 | 30,355 | 1,350 |
| Educational and Recreational Equipment | 766,471 | 619,893 | 659,349 | 566,023 | 825,333 |
| Farm Equipment and Livestock | 27,751 | 45,111 | 494 | 450 | 296 |
| Household Furniture and Equipment | 123,752 | 76,666 | 95,135 | 101,942 | 57,673 |
| Medical, Surgical, and Laboratory | 394,155 | 466,604 | 245,707 | 151,339 | 146,917 |
| Office Furniture and Equipment | 2,255,462 | 2,872,661 | 2,581,413 | 1,883,126 | 1,194,986 |
| Other Equipment - Additional | 3,061,842 | 1,089,759 | 1,295,360 | 454,377 | 337,188 |
| Buildings and Other Structures | 272,377 | 72,029 | 241,390 | 1,131,240 | 1,297,462 |
| Highway Construction | 2,375,446 | 2,327,506 | 1,308,894 | 869,570 | 3,272,823 |
| Improvements Other Than Buildings | 474,853 | 1,092,283 | 462,723 | 447,715 | 1,006,186 |
| Land | 161,749 | 374,133 | 508,280 | 450,822 | 516,647 |
| Total - Capital Outlays | $ 13,942,032 | $ 10,488,819 | $ 8,664,579 | $ 6,750,639 | $ 8,793,068 |
| **GRANTS AND CLAIMS** | | | | | |
| Medical Assistance | $ 318,820,049 | $ 293,213,164 | $ 270,248,235 | $ 251,256,262 | $ 236,018,276 |
| Aid to the Aged, Blind, or Disabled | 10,246,736 | 9,770,834 | 9,151,642 | 8,819,451 | 7,952,632 |
| Aid to Families with Dependent Children | 79,156,548 | 75,760,269 | 74,663,780 | 69,485,202 | 67,069,316 |
| General Public Assistance | 21,495,774 | 21,968,369 | 22,058,532 | 22,566,578 | 23,583,339 |
| Support of State Dependents and Delinquents | 26,443,891 | 22,907,448 | 21,553,365 | 19,177,997 | 17,647,033 |
| Promotion of Public Education | 292,908,690 | 260,079,924 | 238,164,654 | 216,015,193 | 199,971,555 |
| Workers' Compensation - State Employees | 15,120,101 | 14,120,070 | 11,810,768 | 10,240,704 | 9,969,837 |
| Teachers' Pensions | 32,171,667 | 29,679,627 | 29,069,286 | 25,541,253 | 21,034,093 |
| State Aid to Cities and Towns | 37,468,858 | 11,248,479 | 10,594,070 | 5,617,118 | 2,436,118 |
| Support of Certain Organizations | 624,800 | 890,063 | 435,850 | 131,000 | 68,784 |
| Other Grants and Claims | 112,255,482 | 117,939,025 | 111,083,157 | 106,469,444 | 93,593,302 |
| Certain Pension and Retirement Costs | 2,121,659 | 1,964,225 | 1,873,419 | 1,727,958 | 1,658,825 |
| Total - Grants and Claims | $ 948,834,255 | $ 859,541,497 | $ 800,706,758 | $ 737,048,160 | $ 681,003,110 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-8-5

General Fund
Comparative Summary of Expenditures
By Budget Accounts

Five Year Period Ended June 30, 1988

| Budget Accounts | Years Ended June 30<br>1988 | 1987 | 1986 | 1985 | 1984 |
|---|---|---|---|---|---|
| FIXED CHARGES AND MISCELLANEOUS | | | | | |
| Interest on Bonds, etc. | $ 16,745,247 | $ 20,836,474 | $ 19,303,053 | $ 22,533,437 | $ 19,642,610 |
| Serial Bond Payments | 26,449,616 | 25,265,330 | 23,810,448 | 19,551,116 | 19,829,611 |
| Interest Charges for Late Payments | 5,405 | | | | |
| Other | 850,671 | 1,232,576 | 1,468,384 | 883,569 | 673,072 |
| Total - Fixed Charges and Miscellaneous | $ 44,050,939 | $ 47,334,380 | $ 44,581,885 | $ 42,968,122 | $ 40,145,293 |
| TRANSFER OF FUNDS | | | | | |
| Interfund Transfers | $ 132,067,874 | $ 123,960,251 | $ 117,637,537 | $ 110,453,342 | $ 103,597,210 |
| TOTAL EXPENDITURES | $ 1,690,514,501 | $ 1,530,983,417 | $ 1,435,709,612 | $ 1,341,554,518 | $ 1,241,831,166 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-9

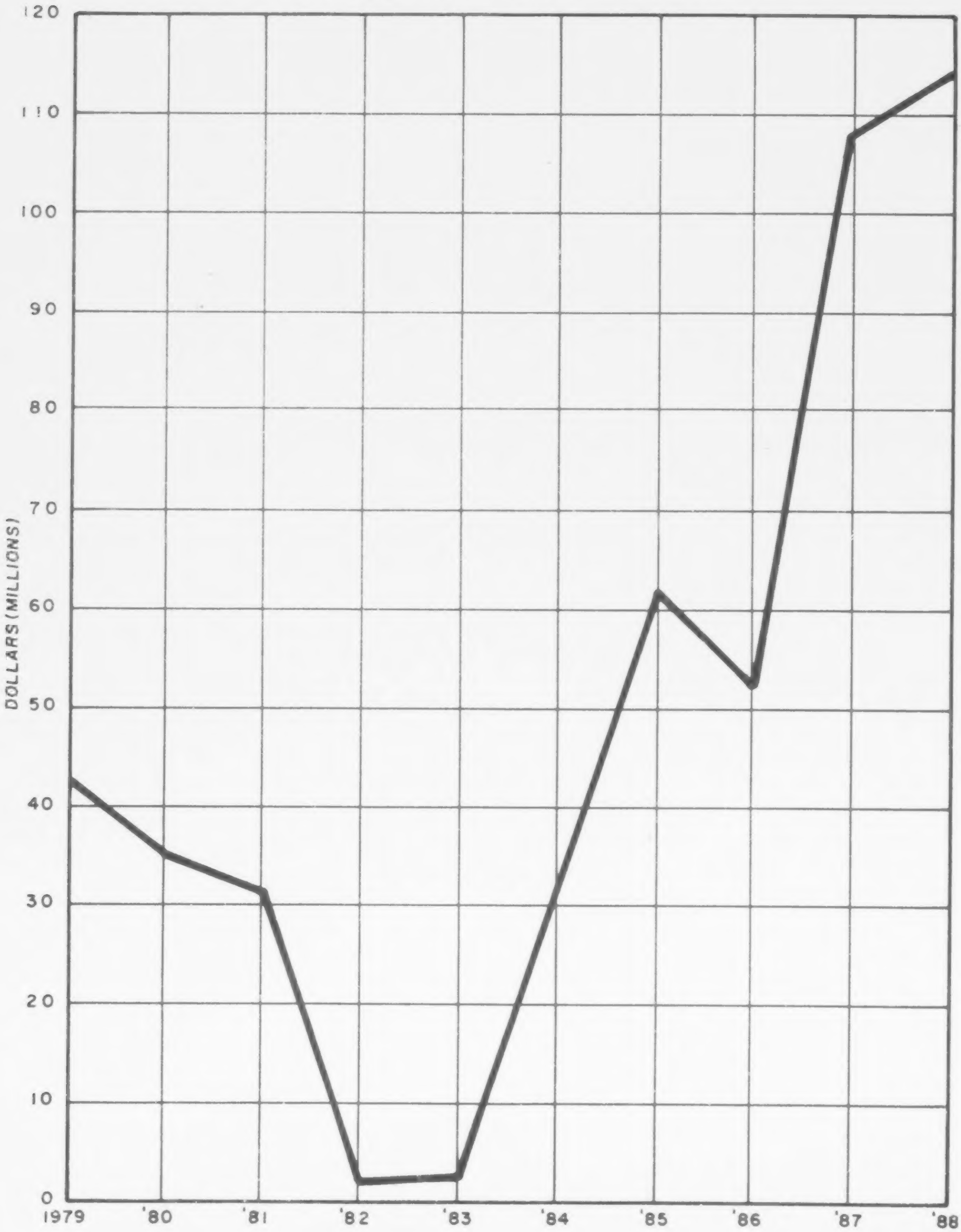
## GENERAL FUND
## FEDERAL GRANT EXPENDITURES
Five Year Period Ended June 30, 1988

| | Years Ended June 30 | | | | |
|---|---|---|---|---|---|
| Department | 1988 | 1987 | 1986 | 1985 | 1984 |
| Mental Health, Retardation, and Hospitals | $ 5,889,080 | $ 5,069,622 | $ 5,929,414 | $ 5,822,141 | $ 5,361,329 |
| Health | 13,076,422 | 12,042,485 | 11,930,825 | 11,814,752 | 11,056,474 |
| Human Services | 263,432,070 | 249,370,043 | 236,207,565 | 223,829,027 | 205,678,851 |
| Corrections | 13,000 | | 184,831 | 23,564 | 14,710 |
| Elementary and Secondary Education | 39,420,791 | 35,982,056 | 35,410,990 | 32,603,149 | 32,741,480 |
| State Library Services | 425,393 | 681,849 | 704,641 | 677,808 | 643,128 |
| Labor | 47,675 | 45,506 | 47,298 | 40,907 | 46,135 |
| Environmental Management | 6,813,547 | 7,296,029 | 5,215,306 | 5,067,666 | 5,741,757 |
| Transportation | 14,510,624 | 8,616,785 | 7,225,405 | 9,423,457 | 10,627,623 |
| Executive | 26,641,351 | 25,855,865 | 30,229,159 | 4,654,387 | 4,041,919 |
| State | | 8,705 | 4,959 | 10,618 | 118 |
| Attorney General | 424,620 | 506,287 | 710,496 | 540,948 | 372,503 |
| Administration | 382,664 | 380,222 | 346,381 | 353,808 | 223,233 |
| (1) Community Affairs | | | | 23,445,027 | 20,140,923 |
| Other Commissions and Agencies | 240,698 | 337,209 | 536,059 | 2,562,967 | 2,004,033 |
| Economic Development | 7,293,415 | 9,988,459 | 11,442,973 | 12,844,669 | 9,274,831 |
| Elderly Affairs | 5,076,810 | 4,995,651 | 4,936,152 | 4,412,283 | 4,326,624 |
| Children and Their Families | 5,391,967 | 3,424,634 | 2,752,032 | 1,891,096 | 1,628,300 |
| Office of Higher Education | 165,284 | 163,900 | 50,016 | 40,130 | 47,805 |
| Total | $ 389,245,411 | $ 364,765,307 | $ 353,864,502 | $ 340,058,404 | $ 313,971,776 |

(1) The Department of Community Affairs was dismantled, effective July 1, 1985. It's functions, activities and programs were transferred to the Department of Human Services, Executive Department and the Department of Administration.

Exhibit S-10

# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
## GENERAL FUND
## UNRESERVED FUND BALANCE



# STATISTICAL SECTION

Exhibit/
Schedule

STATE ASSISTANCE CLASSIFIED BY CITIES AND TOWNS - (GENERAL FUND):

Statement of Certain Expenditures for State Assistance to Cities and Towns .......... S-11

Statement of Expenditures for School Operations - Five Years .......... S-12

Statement of State Aid to Cities and Towns - Five Years .......... S-13

Statement of State Aid to Cities and Towns - Alcoholic Beverage Tax - Five Years .......... S-14

Statement of State Aid to Cities and Towns - Pari-Mutuel Betting - Five Years .......... S-15

Statement of Payments of Fines and Penalties to Cities and Towns - Five Years .......... S-16

Exhibit S-11

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## STATEMENT OF CERTAIN EXPENDITURES FOR STATE ASSISTANCE TO CITIES AND TOWNS

For the Fiscal Year Ended June 30, 1988

| City or Town | Firefighters Incentive | Municipal Police Incentive | Maintenance of State Highways | School Operations | State Aid | Public Service Corporation Tax | SHARED REVENUES | | | | | Total Disbursements to Cities and Towns |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Mfg. of Alcoholic Beverages | Dog Racing Taxes | Jai Alai | Fines and Penalties | | |
| Barrington | $ 20,000 | $ 43,000 | $ 10,000 | $ 3,742,044 | $ 457,597 | $ 185,766 | $ 30 | $ 48,244 | $ 4,429 | $ 5,605 | | $ 4,516,715 |
| Bristol | | 44,000 | 10,000 | 5,361,483 | 617,686 | 231,180 | 38 | 35,264 | 3,237 | 8,205 | | 6,311,093 |
| Burrillville | | 10,000 | 10,000 | 6,416,261 | 504,734 | 151,195 | 25 | 18,055 | 1,657 | 4,260 | | 7,116,187 |
| Central Falls | 32,000 | | | 6,622,629 | 755,108 | 195,196 | 32 | 13,571 | 1,246 | 4,580 | | 7,624,361 |
| Charlestown | | 11,000 | 10,000 | 1,237,341 | 173,294 | 55,130 | 9 | 30,273 | 2,779 | 10,100 | | 1,529,927 |
| Coventry | 6,000 | 77,000 | 10,000 | 11,153,601 | 603,904 | 310,854 | 51 | 39,058 | 3,586 | 15,365 | | 12,219,418 |
| Cranston | 121,000 | 235,052 | 10,000 | 15,349,902 | 2,440,062 | 826,862 | 135 | 133,607 | 12,265 | 21,195 | | 19,150,080 |
| Cumberland | 14,000 | 62,500 | | 7,836,168 | 633,606 | 310,900 | 51 | 60,882 | 5,589 | 4,460 | | 8,928,155 |
| East Greenwich | 10,018 | 22,247 | 10,000 | 2,835,381 | 406,040 | 138,187 | 19 | 42,204 | 3,874 | 9,075 | | 3,477,045 |
| East Providence | 50,000 | 129,500 | | 10,803,851 | 1,984,674 | 715,108 | 96 | 100,637 | 9,239 | 25,810 | | 13,818,914 |
| Exeter | | | 10,000 | | 63,187 | 51,145 | 8 | 4,777 | 439 | 0 | | 129,556 |
| Foster | | 3,500 | 10,000 | 691,847 | 129,501 | 45,606 | 6 | 4,306 | 395 | 2,205 | | 887,367 |
| Glocester | | 4,000 | 10,000 | 1,307,153 | 171,431 | 86,715 | 14 | 16,321 | 1,498 | 4,360 | | 1,601,493 |
| Hopkinton | | 6,000 | 10,000 | 3,822,874 | 189,642 | 73,576 | 12 | 8,786 | 807 | 5,175 | | 4,116,871 |
| Jamestown | | 5,000 | 10,000 | 835,574 | 148,883 | 56,670 | 8 | 20,305 | 1,864 | 3,110 | | 1,081,414 |
| Johnston | 33,620 | 40,000 | 10,000 | 5,754,408 | 1,165,190 | 286,069 | 47 | 49,444 | 4,539 | 6,160 | | 7,349,477 |
| Lincoln | 13,000 | 54,000 | | 3,451,505 | 542,224 | 194,667 | 32 | 41,904 | 3,847 | 3,380 | | 4,304,559 |
| Little Compton | | 4,000 | 10,000 | 590,761 | 89,999 | 35,433 | 6 | 16,138 | 1,482 | 1,335 | | 749,153 |
| Middletown | 7,000 | 58,500 | 10,000 | 3,845,145 | 286,865 | 197,734 | 32 | 34,327 | 3,151 | 28,475 | | 4,471,230 |
| Narragansett | 20,000 | 35,000 | | 2,453,375 | 500,943 | 138,836 | 23 | 44,591 | 4,093 | 13,805 | | 3,210,666 |
| Newport | 71,000 | 157,500 | | 6,253,356 | 1,114,064 | 336,053 | 55 | 73,124 | 6,713 | 13,355 | | 8,025,220 |
| New Shoreham | | 1,000 | 10,000 | 174,744 | 52,034 | 7,121 | 1 | 9,124 | 838 | 2,000 | | 256,861 |
| North Kingstown | 30,000 | 53,074 | 10,000 | 7,207,226 | 722,134 | 251,968 | 41 | 57,238 | 5,255 | 17,835 | | 8,354,771 |
| North Providence | 21,000 | 55,000 | 10,000 | 5,738,996 | 921,371 | 335,238 | 55 | 51,313 | 4,711 | 7,755 | | 7,145,438 |
| North Smithfield | 3,000 | 17,000 | 10,000 | 3,247,164 | 381,069 | 114,533 | 19 | 17,728 | 1,627 | 3,290 | | 3,795,431 |
| Pawtucket | 130,000 | 195,000 | | 23,149,516 | 3,578,072 | 817,811 | 134 | 87,227 | 8,008 | 30,515 | | 27,996,282 |
| Portsmouth | 12,000 | 32,000 | 10,000 | 3,743,120 | 504,985 | 163,748 | 27 | 23,327 | 2,141 | 14,360 | | 4,505,709 |
| Providence | 415,231 | 537,725 | | 53,302,163 | 8,304,134 | 1,800,967 | 295 | 121,091 | 11,116 | 34,910 | | 64,527,633 |
| Richmond | | | 10,000 | 2,887,195 | 117,863 | 46,149 | 8 | 4,948 | 454 | 805 | | 3,067,421 |
| Scituate | | 27,008 | 10,000 | 2,676,363 | 268,146 | 113,746 | 16 | 12,070 | 1,108 | 7,080 | | 3,115,537 |
| Smithfield | 16,000 | 44,000 | | 3,467,282 | 605,414 | 193,944 | 32 | 30,707 | 2,819 | 11,820 | | 4,372,017 |
| South Kingstown | | 42,000 | 10,000 | 3,939,023 | 793,811 | 276,265 | 38 | 57,062 | 5,238 | 24,030 | | 5,147,467 |
| Tiverton | 8,000 | 31,000 | 10,000 | 4,442,184 | 219,912 | 155,352 | 25 | 29,158 | 2,677 | 7,005 | | 4,905,313 |
| Warren | | 22,000 | 10,000 | 3,304,142 | 435,619 | 122,205 | 20 | 23,144 | 2,125 | 14,890 | | 3,934,145 |
| Warwick | 161,000 | 208,366 | 10,000 | 22,556,801 | 3,365,937 | 1,000,649 | 164 | 123,273 | 11,317 | 37,105 | | 27,474,610 |
| Westerly | | 66,000 | 10,000 | 3,445,545 | 413,309 | 213,400 | 35 | 53,287 | 4,892 | 21,540 | | 4,228,008 |
| West Greenwich | | | | | 96,645 | 31,447 | 5 | 2,779 | 255 | 5,565 | | 136,696 |
| West Warwick | 34,000 | 78,000 | 10,000 | 8,411,191 | 928,736 | 69,196 | 51 | 41,780 | 3,835 | 5,260 | | 9,582,048 |
| Woonsocket | 106,000 | 128,000 | 10,000 | 18,968,013 | 2,228,690 | 527,344 | 86 | 20,972 | 1,925 | 11,775 | | 22,002,804 |
| Chariho Regional School District | | | | 493,674 | | | | | | | | 493,674 |
| Exeter-West Greenwich Regional School District | | | | 3,251,928 | | | | | | | | 3,251,928 |
| Foster-Glocester Regional School District | | | | 2,569,382 | | | | | | | | 2,569,382 |
| (1)School Lunch Program | | | | 17,933,358 | | | | | | | | 17,933,358 |
| **Total** | $ 1,333,869 | $2,538,972 | $ 290,000 | $295,273,669 | $36,916,515 | $ 10,863,965 | $ 1,781 | $1,602,046 | $147,070 | $ 447,555 | | $ 349,415,434 |

**(1)Refer to Note (1) on Exhibit S-12**

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-12

## GENERAL FUND
## STATEMENT OF EXPENDITURES FOR SCHOOL OPERATIONS
## CLASSIFIED BY CITIES AND TOWNS

Five Year Period Ended June 30, 1988

| City or Town | Years Ended June 30 | | | | |
|---|---|---|---|---|---|
| | 1988 | 1987 | 1986 | 1985 | 1984 |
| Barrington | $ 3,742,044 | $ 3,349,013 | $ 3,237,044 | $ 3,041,343 | $ 2,957,517 |
| Bristol | 5,361,483 | 4,544,366 | 4,475,992 | 4,132,209 | 3,933,956 |
| Burrillville | 6,416,261 | 5,702,865 | 5,172,699 | 4,624,911 | 4,008,870 |
| Central Falls | 6,622,629 | 5,815,938 | 5,316,105 | 4,926,816 | 4,485,397 |
| Charlestown | 1,237,341 | 1,096,141 | 993,351 | 918,443 | 771,488 |
| Coventry | 11,153,601 | 9,785,038 | 8,458,102 | 7,592,435 | 6,925,642 |
| Cranston | 15,349,902 | 13,675,754 | 12,113,099 | 11,470,467 | 10,701,566 |
| Cumberland | 7,836,168 | 6,786,085 | 6,200,634 | 6,450,388 | 6,178,909 |
| East Greenwich | 2,835,381 | 2,735,881 | 2,700,618 | 2,624,700 | 2,316,852 |
| East Providence | 10,803,851 | 10,470,047 | 8,241,837 | 6,841,294 | 6,363,811 |
| Foster | 691,847 | 611,681 | 540,438 | 546,985 | 485,473 |
| Glocester | 1,307,153 | 1,113,292 | 1,095,195 | 1,097,642 | 1,045,263 |
| Hopkinton | 3,822,874 | 3,355,514 | 3,004,139 | 2,809,492 | 2,773,166 |
| Jamestown | 835,574 | 753,753 | 691,144 | 623,856 | 556,491 |
| Johnston | 5,754,408 | 5,353,943 | 4,996,078 | 4,153,265 | 4,007,413 |
| Lincoln | 3,451,505 | 3,272,324 | 3,089,076 | 2,906,570 | 2,773,690 |
| Little Compton | 590,761 | 564,543 | 537,197 | 532,056 | 486,764 |
| Middletown | 3,845,145 | 3,921,630 | 3,512,204 | 3,624,349 | 3,527,935 |
| Narragansett | 2,453,375 | 2,075,670 | 1,985,627 | 1,816,336 | 1,555,384 |
| Newport | 6,253,356 | 5,650,016 | 5,611,571 | 5,152,944 | 5,905,029 |
| New Shoreham | 174,744 | 155,088 | 146,391 | 145,772 | 115,185 |
| North Kingstown | 7,207,226 | 6,414,272 | 5,961,198 | 4,926,486 | 4,795,034 |
| North Providence | 5,738,996 | 4,738,797 | 4,376,289 | 4,061,578 | 3,771,425 |
| North Smithfield | 3,247,164 | 2,793,325 | 2,546,647 | 2,169,071 | 1,943,432 |
| Pawtucket | 23,149,516 | 19,849,546 | 18,526,413 | 17,266,723 | 15,272,542 |
| Portsmouth | 3,743,120 | 3,516,303 | 3,291,257 | 3,083,637 | 2,889,167 |
| Providence | 53,302,163 | 46,952,419 | 42,378,753 | 38,886,957 | 34,800,815 |
| Richmond | 2,887,195 | 2,313,294 | 2,000,246 | 1,685,676 | 1,442,967 |
| Scituate | 2,676,363 | 2,112,937 | 1,766,226 | 1,615,151 | 1,577,608 |
| Smithfield | 3,467,282 | 3,359,597 | 2,918,589 | 2,880,204 | 2,768,810 |
| South Kingstown | 3,939,023 | 3,628,195 | 3,379,206 | 3,148,861 | 2,949,772 |
| Tiverton | 4,442,184 | 4,306,471 | 4,314,632 | 4,094,538 | 3,773,131 |
| Warren | 3,304,142 | 3,333,690 | 2,995,628 | 2,590,199 | 2,382,430 |
| Warwick | 22,556,801 | 20,661,790 | 19,692,285 | 18,340,448 | 16,910,991 |
| Westerly | 3,445,545 | 3,197,629 | 3,089,871 | 2,795,530 | 2,674,491 |
| West Warwick | 8,411,191 | 8,114,545 | 7,498,962 | 6,260,066 | 5,712,764 |
| Woonsocket | 18,968,013 | 17,098,020 | 15,949,763 | 14,446,855 | 13,636,288 |
| Charlestown, Richmond Hopkinton Regional School District | 493,674 | 369,245 | 251,553 | 234,067 | 283,763 |
| Exeter-West Greenwich Regional School District | 3,251,928 | 2,855,960 | 2,576,423 | 2,283,609 | 1,836,239 |
| Foster-Glocester Regional School District | 2,569,382 | 2,183,523 | 2,119,965 | 1,963,689 | 1,790,341 |
| (1)School Lunch Program | 17,933,358 | 17,831,532 | 17,365,922 | 17,342,256 | 16,776,821 |
| Totals | $295,273,669 | $266,419,672 | $245,118,369 | $226,107,874 | $209,864,632 |

(1) School Lunch Programs are not included in classification by city and town because figures were not available at time of publication.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-13

## GENERAL FUND
## STATEMENT OF STATE AID TO CITIES AND TOWNS
## SECTION 45-13-1 OF THE GENERAL LAWS
## (Apportioned on Basis of Tax Levy)

FIVE YEAR PERIOD ENDED JUNE 30, 1988

|  | Years Ended June 30 |  |  |  |  |
|---|---|---|---|---|---|
| City or Town | 1988 | 1987 | 1986 | 1985 | 1984 |
| Barrington | $ 457,597 | $ 278,709 | $ 275,558 | $ 144,123 | $ 61,714 |
| Bristol | 617,686 | 184,944 | 163,965 | 85,690 | 37,056 |
| Burrillville | 504,734 | 128,756 | 107,974 | 59,673 | 26,054 |
| Central Falls | 755,108 | 123,415 | 104,341 | 56,524 | 24,527 |
| Charlestown | 173,294 | 69,273 | 65,552 | 36,541 | 15,932 |
| Coventry | 603,904 | 266,186 | 258,746 | 134,192 | 57,804 |
| Cranston | 2,440,062 | 850,248 | 813,640 | 432,071 | 182,192 |
| Cumberland | 633,606 | 285,012 | 241,417 | 126,214 | 54,263 |
| East Greenwich | 406,040 | 182,394 | 167,287 | 91,136 | 39,137 |
| East Providence | 1,984,674 | 614,769 | 582,811 | 320,867 | 141,283 |
| Exeter | 63,187 | 32,611 | 34,332 | 15,853 | 7,447 |
| Foster | 129,501 | 45,312 | 40,385 | 20,403 | 8,807 |
| Glocester | 171,431 | 79,409 | 66,980 | 33,536 | 14,273 |
| Hopkinton | 189,642 | 60,479 | 60,905 | 32,174 | 13,311 |
| Jamestown | 148,883 | 65,984 | 62,541 | 30,162 | 12,811 |
| Johnston | 1,165,190 | 295,712 | 279,956 | 153,661 | 56,657 |
| Lincoln | 542,224 | 203,216 | 196,809 | 106,044 | 45,141 |
| Little Compton | 89,999 | 39,814 | 35,323 | 18,573 | 8,054 |
| Middletown | 286,865 | 168,872 | 149,967 | 76,376 | 33,277 |
| Narragansett | 500,943 | 182,436 | 169,042 | 89,225 | 38,593 |
| Newport | 1,114,064 | 432,475 | 400,794 | 190,655 | 77,829 |
| New Shoreham | 52,034 | 28,825 | 26,266 | 11,262 | 4,341 |
| North Kingstown | 722,134 | 277,967 | 263,009 | 138,397 | 61,346 |
| North Providence | 921,371 | 312,672 | 303,476 | 140,372 | 61,190 |
| North Smithfield | 381,069 | 117,434 | 109,087 | 54,407 | 22,719 |
| Pawtucket | 3,578,072 | 689,400 | 674,470 | 378,628 | 166,974 |
| Portsmouth | 504,985 | 192,883 | 182,601 | 97,448 | 42,228 |
| Providence | 8,304,134 | 1,980,928 | 1,907,763 | 1,034,783 | 454,614 |
| Richmond | 117,863 | 45,866 | 43,550 | 21,122 | 9,157 |
| Scituate | 268,146 | 112,031 | 107,320 | 54,385 | 22,741 |
| Smithfield | 605,414 | 215,001 | 195,499 | 96,383 | 41,175 |
| South Kingstown | 793,811 | 245,175 | 226,375 | 123,712 | 53,982 |
| Tiverton | 219,912 | 134,625 | 124,673 | 67,956 | 29,536 |
| Warren | 435,619 | 115,790 | 112,093 | 63,744 | 27,721 |
| Warwick | 3,365,937 | 1,294,062 | 1,199,586 | 622,583 | 271,856 |
| Westerly | 413,309 | 201,991 | 187,087 | 101,236 | 44,069 |
| West Greenwich | 96,645 | 28,493 | 26,595 | 15,078 | 6,989 |
| West Warwick | 928,736 | 258,306 | 243,995 | 135,390 | 58,648 |
| Woonsocket | 2,228,690 | 407,004 | 370,300 | 206,521 | 90,266 |
| Totals | $ 36,916,515 | $ 11,248,479 | $ 10,582,370 | $ 5,617,118 | $ 2,436,118 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-14

# GENERAL FUND
# STATEMENT OF STATE AID TO CITIES AND TOWNS
# ALCOHOLIC BEVERAGE TAX
# SECTION 3-10-10 OF THE GENERAL LAWS
(Apportioned on Basis of Population)

FIVE YEAR PERIOD ENDED JUNE 30, 1988

| City or Town | Years Ended June 30<br>1988 | 1987 | 1986 | 1985 | 1984 |
|---|---|---|---|---|---|
| Barrington | $ 30 | $ 46 | $ 34 | $ 91 | $ 26 |
| Bristol | 38 | 57 | 42 | 114 | 33 |
| Burrillville | 25 | 37 | 28 | 74 | 21 |
| Central Falls | 32 | 48 | 36 | 96 | 27 |
| Charlestown | 9 | 14 | 10 | 27 | 8 |
| Coventry | 51 | 76 | 57 | 153 | 44 |
| Cranston | 135 | 203 | 151 | 406 | 116 |
| Cumberland | 51 | 76 | 57 | 153 | 44 |
| East Greenwich | 19 | 29 | 21 | 58 | 17 |
| East Providence | 96 | 143 | 107 | 288 | 82 |
| Exeter | 8 | 13 | 9 | 25 | 7 |
| Foster | 6 | 9 | 7 | 19 | 5 |
| Glocester | 14 | 21 | 16 | 43 | 12 |
| Hopkinton | 12 | 18 | 14 | 36 | 10 |
| Jamestown | 8 | 11 | 9 | 23 | 7 |
| Johnston | 47 | 70 | 52 | 141 | 40 |
| Lincoln | 32 | 48 | 36 | 96 | 27 |
| Little Compton | 6 | 9 | 7 | 17 | 5 |
| Middletown | 32 | 48 | 36 | 97 | 28 |
| Narragansett | 23 | 34 | 25 | 68 | 20 |
| Newport | 55 | 82 | 61 | 165 | 47 |
| New Shoreham | 1 | 2 | 1 | 4 | 1 |
| North Kingstown | 41 | 62 | 46 | 124 | 35 |
| North Providence | 55 | 82 | 61 | 165 | 47 |
| North Smithfield | 19 | 28 | 21 | 56 | 16 |
| Pawtucket | 134 | 200 | 150 | 402 | 115 |
| Portsmouth | 27 | 40 | 30 | 80 | 23 |
| Providence | 295 | 441 | 329 | 885 | 253 |
| Richmond | 8 | 11 | 8 | 23 | 7 |
| Scituate | 16 | 24 | 18 | 47 | 14 |
| Smithfield | 32 | 48 | 36 | 95 | 27 |
| South Kingstown | 38 | 57 | 43 | 115 | 33 |
| Tiverton | 25 | 38 | 29 | 76 | 22 |
| Warren | 20 | 30 | 22 | 60 | 17 |
| Warwick | 164 | 245 | 183 | 492 | 141 |
| Westerly | 35 | 52 | 39 | 105 | 30 |
| West Greenwich | 5 | 8 | 6 | 15 | 4 |
| West Warwick | 51 | 76 | 57 | 152 | 44 |
| Woonsocket | 86 | 129 | 96 | 259 | 74 |
| Totals | $ 1,781 | $ 2,665 | $ 1,990 | $ 5,345 | $ 1,529 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-15

## GENERAL FUND
## STATEMENT OF STATE AID TO CITIES AND TOWNS
## PARI-MUTUEL BETTING (1)
## CHAPTER 41-4 OF THE GENERAL LAWS
(Apportioned on Basis of Assessed Valuation)

FIVE YEAR PERIOD ENDED JUNE 30, 1988

| City or Town | Years Ended June 30 | | | | |
|---|---|---|---|---|---|
| | 1988 | 1987 | 1986 | 1985 | 1984 |
| Barrington | $ | $ 73,362 | $ 43,840 | $ 54,211 | $ 66,419 |
| Bristol | 38,502 | 68,125 | 65,435 | 71,094 | 50,279 |
| Burrillville | 19,712 | 34,976 | 33,581 | 36,277 | 28,753 |
| Central Falls | 14,816 | 26,591 | 26,532 | 21,250 | 17,938 |
| Charlestown | | 58,482 | 36,073 | 17,825 | 21,231 |
| Coventry | 42,644 | 75,317 | 72,262 | 77,548 | 93,633 |
| Cranston | 145,872 | 257,566 | 248,029 | 168,055 | 102,970 |
| Cumberland | 66,471 | 118,983 | 74,631 | 34,372 | 41,656 |
| East Greenwich | 46,078 | 61,235 | 37,571 | 41,058 | 43,965 |
| East Providence | 109,876 | 196,394 | 194,876 | 137,566 | 91,467 |
| Exeter | 5,216 | 9,258 | 8,890 | 9,483 | 7,450 |
| Foster | 4,701 | 8,378 | 8,126 | 8,808 | 10,495 |
| Glocester | 17,820 | 31,463 | 30,404 | 33,681 | 22,469 |
| Hopkinton | 9,593 | 17,024 | 16,554 | 18,134 | 15,216 |
| Jamestown | | 39,352 | 38,540 | 24,596 | 12,201 |
| Johnston | 53,983 | 94,860 | 90,545 | 96,658 | 69,917 |
| Lincoln | 45,751 | 81,231 | 78,845 | 85,753 | 105,912 |
| Little Compton | | 31,363 | 30,916 | 33,858 | 41,945 |
| Middletown | 37,478 | 65,953 | 62,700 | 66,979 | 80,442 |
| Narragansett | 48,684 | 85,212 | 80,732 | 86,295 | 105,168 |
| Newport | | 142,347 | 139,797 | 155,205 | 110,776 |
| New Shoreham | 9,961 | 17,720 | 17,269 | 18,720 | 11,410 |
| North Kingstown | 62,493 | 110,521 | 106,569 | 75,830 | 53,195 |
| North Providence | 56,024 | 99,578 | 76,389 | 60,018 | 72,577 |
| North Smithfield | 19,355 | 34,196 | 33,142 | 35,836 | 32,294 |
| Pawtucket | | 169,271 | 166,307 | 120,072 | 83,991 |
| Portsmouth | 25,469 | 44,611 | 42,329 | 45,345 | 54,992 |
| Providence | | 234,640 | 227,162 | 247,403 | 303,016 |
| Richmond | | 9,434 | 9,117 | 9,953 | 12,317 |
| Scituate | 13,178 | 23,426 | 22,678 | 24,535 | 29,953 |
| Smithfield | | 58,352 | 54,377 | 40,074 | 30,733 |
| South Kingstown | 62,300 | 110,247 | 106,661 | 68,191 | 35,540 |
| Tiverton | 31,835 | 56,386 | 54,951 | 62,307 | 46,113 |
| Warren | 25,269 | 44,789 | 43,576 | 28,772 | 16,203 |
| Warwick | 134,589 | 237,877 | 230,327 | 249,734 | 303,992 |
| Westerly | 58,179 | 102,534 | 97,869 | 104,721 | 126,294 |
| West Greenwich | 3,034 | 5,340 | 5,075 | 5,395 | 6,694 |
| West Warwick | 45,615 | 80,856 | 78,761 | 86,464 | 64,275 |
| Woonsocket | | 40,497 | 39,597 | 43,782 | 53,081 |
| Totals | $ 1,254,496 | $ 3,057,797 | $ 2,837,923 | $ 2,605,863 | $ 2,483,068 |

(1) Dog Racing and Jai Alai

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-16

## GENERAL FUND
## STATEMENT OF PAYMENTS OF FINES AND PENALTIES TO CITIES AND TOWNS
## SECTION 31-43-5 OF THE GENERAL LAWS

FIVE YEAR PERIOD ENDED JUNE 30, 1988

| City or Town | Years Ended June 30 | | | | |
|---|---|---|---|---|---|
| | 1988 | 1987 | 1986 | 1985 | 1984 |
| Barrington | $ 5,605 | $ 5,200 | $ 3,375 | $ 3,185 | $ 4,035 |
| Bristol | 8,205 | 9,355 | 9,745 | 10,265 | 8,920 |
| Burrillville | 4,260 | 3,565 | 1,505 | 1,690 | 1,125 |
| Central Falls | 4,580 | 3,055 | 2,910 | 2,680 | 3,445 |
| Charlestown | 10,100 | 10,825 | 6,840 | 6,920 | 6,400 |
| Coventry | 15,365 | 16,410 | 14,290 | 11,580 | 10,900 |
| Cranston | 21,195 | 27,350 | 25,060 | 36,075 | 33,160 |
| Cumberland | 4,460 | 1,965 | 2,360 | 3,765 | 2,325 |
| East Greenwich | 9,075 | 10,025 | 9,100 | 7,670 | 13,790 |
| East Providence | 25,810 | 25,580 | 20,150 | 18,275 | 23,380 |
| Foster | 0 | 1,715 | 1,425 | 1,580 | 2,310 |
| Glocester | 2,205 | 1,925 | 1,385 | 2,515 | 3,175 |
| Hopkinton | 4,360 | 4,920 | 3,705 | 3,500 | 2,385 |
| Jamestown | 5,175 | 1,625 | 1,880 | 2,150 | 2,100 |
| Johnston | 3,110 | 6,965 | 4,650 | 6,815 | 5,410 |
| Lincoln | 6,160 | 3,815 | 3,120 | 2,220 | 3,360 |
| Little Compton | 3,380 | 1,025 | 655 | 675 | 700 |
| Middletown | 1,335 | 15,625 | 12,285 | 6,805 | 10,550 |
| Narragansett | 28,475 | 17,660 | 12,180 | 12,185 | 16,490 |
| Newport | 13,805 | 2,045 | 8,855 | 9,475 | 13,080 |
| New Shoreham | 13,355 | 10,495 | 1,405 | 2,170 | 1,525 |
| North Kingstown | 2,000 | 18,355 | 14,350 | 13,130 | 11,700 |
| North Providence | 17,835 | 15,150 | 23,435 | 22,970 | 25,335 |
| North Smithfield | 7,755 | 3,190 | 1,920 | 2,345 | 1,355 |
| Pawtucket | 3,290 | 38,695 | 27,655 | 28,055 | 22,565 |
| Portsmouth | 30,515 | 10,740 | 13,215 | 9,970 | 10,265 |
| Providence | 14,360 | 29,075 | 29,975 | 22,500 | 29,285 |
| Richmond | 34,910 | 580 | 250 | 205 | 185 |
| Scituate | 805 | 4,740 | 4,080 | 6,020 | 10,630 |
| Smithfield | 7,080 | 13,650 | 11,720 | 17,185 | 17,915 |
| South Kingstown | 11,820 | 25,460 | 26,125 | 20,950 | 14,285 |
| Tiverton | 24,030 | 5,675 | 6,225 | 4,965 | 5,820 |
| Warren | 7,005 | 15,245 | 11,275 | 10,260 | 7,040 |
| Warwick | 14,890 | 46,755 | 38,975 | 43,320 | 50,365 |
| Westerly | 37,105 | 7,170 | 12,690 | 13,350 | 13,050 |
| West Greenwich | 21,540 | 5,840 | 3,010 | 3,575 | 6,335 |
| West Warwick | 5,565 | 14,205 | 4,265 | 3,670 | 3,725 |
| Woonsocket | 5,260 | 13,780 | 9,705 | 10,150 | 11,700 |
| Totals | $ 435,780 | $ 449,450 | $ 385,750 | $ 384,815 | $ 410,120 |

# STATISTICAL SECTION

Exhibit/
Schedule

STATE BONDED INDEBTEDNESS:

State Bonded Indebtedness and Net Bonded Debt
Per Capita - Ten Years.................................................... S-17

General Bonded Debt Expenditures - Ten Years.............................. S-18

Chart of Net General Obligation Bonded Debt and Bonds
[illegible] Supported by [illegible] - Ten Years.............................. S-19

Debt Service Requirements to Maturity - General Obligation Bonds........... S-20

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-17

## STATE BONDED INDEBTEDNESS AND NET BONDED DEBT PER CAPITA

### TEN YEAR PERIOD ENDED JUNE 30, 1988

| | General Obligation Bonded Debt | | | | |
|---|---|---|---|---|---|
| Year Ended June 30 | General Obligation Bonded Debt Supported by Taxes | Sinking Fund | Net General Obligation Bonded Debt Supported by Taxes | Per Capita Net General Obligation Bonded Debt Supported by Taxes | Special Bonded Debt Guaranteed by State |
| 1979 | 237,255,000 | 1,685,000 | 235,570,000 | 248.04 (1) | 41,450,000 |
| 1980 | 227,960,000 | 1,435,000 | 226,525,000 | 238.52 (1) | 38,850,000 |
| 1981 | 203,220,000 | 500,000 | 202,720,000 | 214.03 (2) | 38,215,000 |
| 1982 | 215,060,000 | 500,000 | 214,560,000 | 226.53 (2) | 41,165,000 |
| 1983 | 239,135,000 | | 239,135,000 | 252.48 (2) | 40,900,000 |
| 1984 | 245,290,000 | | 245,290,000 | 258.98 (2) | 40,410,000 |
| 1985 | 260,865,000 | | 260,865,000 | 275.42 (2) | 40,480,000 |
| 1986 | 291,750,000 | | 291,750,000 | 308.03 (2) | 40,545,000 |
| 1987 | 261,895,000 | | 261,895,000 | 276.51 (2) | 39,575,000 |
| 1988 | 336,725,000 | | 336,725,000 | 355.51 (2) | 57,375,000 |

(1) Based on Federal Census 1970, Population 949,723.
(2) Based on Federal Census 1980, Population 947,154.

Exhibit S-18

# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## GENERAL BONDED DEBT EXPENDITURES

Ten Year Period Ended June 30, 1988

| Fiscal Year | Principal | Interest | Total Debt Service |
|---|---|---|---|
| 1979 | 22,945,000 | 11,953,906 (1) | 34,898,906 |
| 1980 | 24,045,000 | 12,021,925 (2) | 36,066,925 |
| 1981 | 23,805,000 | 11,610,179 | 35,415,179 |
| 1982 | 23,160,000 | 12,399,861 | 35,559,861 |
| 1983 | 24,925,000 | 13,714,024 | 38,639,024 |
| 1984 | 23,545,000 | 16,136,598 | 39,681,598 |
| 1985 | 23,525,000 | 20,385,136 | 43,910,136 |
| 1986 | 28,255,000 | 18,956,396 | 47,211,396 |
| 1987 | 29,855,000 | 21,246,808 | 51,101,808 |
| 1988 | 48,980,000 (3) | 18,821,610 | 67,801,610 |

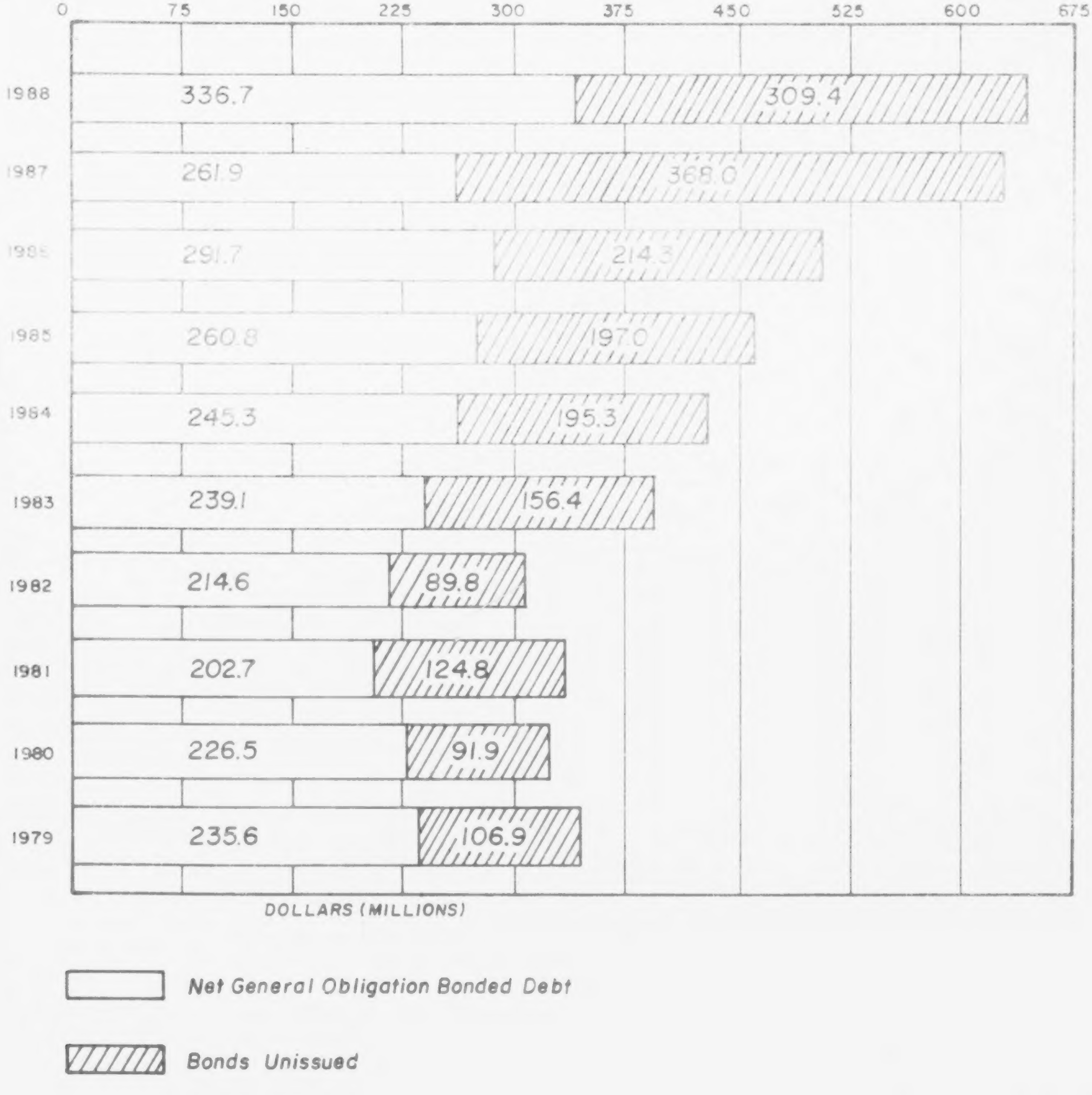
(1) Includes interest of $847,850 paid in behalf of the Rhode Island Turnpike and Bridge Authority.

(2) Includes interest of $773,923 paid in behalf of the Rhode Island Turnpike and Bridge Authority.

(3) Includes $18,400,000 of 1984 General Obligation Bonds refunded.

*Exhibit S-19*

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS NET GENERAL OBLIGATION BONDED DEBT AND BONDS UNISSUED SUPPORTED BY TAXES



# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-20

## DEBT SERVICE REQUIREMENTS TO MATURITY - GENERAL OBLIGATION BONDS

June 30, 1988

| Fiscal Year | Principal | Interest | Total Requirements |
|---|---|---|---|
| 1989 | $ 33,530,000 | $ 22,491,425 | $ 56,021,425 |
| 1990 | 33,655,000 | 20,268,920 | 53,923,920 |
| 1991 | 29,940,000 | 18,032,308 | 47,972,308 |
| 1992 | 26,195,000 | 16,035,831 | 42,230,831 |
| 1993 | 25,000,000 | 14,359,663 | 39,359,663 |
| 1994 | 21,285,000 | 12,834,525 | 34,119,525 |
| 1995 | 19,845,000 | 11,457,547 | 31,302,547 |
| 1996 | 19,055,000 | 10,134,665 | 29,189,665 |
| 1997 | 18,140,000 | 8,849,028 | 26,989,028 |
| 1998 | 16,790,000 | 7,628,332 | 24,418,332 |
| 1999 | 15,705,000 | 6,458,188 | 22,163,188 |
| 2000 | 15,175,000 | 5,382,655 | 20,557,655 |
| 2001 | 12,405,000 | 4,328,107 | 16,733,107 |
| 2002 | 11,565,000 | 3,443,614 | 15,008,614 |
| 2003 | 9,650,000 | 2,686,445 | 12,336,445 |
| 2004 | 7,205,000 | 2,024,340 | 9,229,340 |
| 2005 | 7,270,000 | 1,512,035 | 8,782,035 |
| 2006 | 5,670,000 | 993,593 | 6,663,593 |
| 2007 | 4,305,000 | 578,775 | 4,883,775 |
| 2008 | 4,340,000 | 252,262 | 4,592,262 |
| Totals | $ 336,725,000 | $ 169,752,258 | $ 506,477,258 |

# STATISTICAL SECTION

Exhibit/
Schedule

OTHER:

Combined Costs of Employees' Benefit Programs - All Funds - Five Years ........ S-21

Chart of Major Construction Programs - All Funds - Ten Years ........ S-22

Chart of Federal Grants Received - All Funds - Ten Years ........ S-23

Investments Outstanding - All Funds - Five Years ........ S-24

Statement of Expenditures - General Fund and Special Revenue Funds ........ S-25

Employment Insurance Programs - Summary of Revenues and Expenditures - Ten Years ........ S-26

Exhibit S-21

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## COMBINED COSTS OF EMPLOYEES' BENEFIT PROGRAMS - ALL FUNDS (1)

## FIVE YEAR PERIOD ENDED JUNE 30, 1988

| | Years Ended June 30 | | | | |
|---|---|---|---|---|---|
| | 1988 | 1987 | 1986 | 1985 | 1984 |
| Employees' Retirement | | | | | |
| State Share | $ 41,049,901 | $ 37,345,928 | $ 42,153,330 | $ 39,455,310 | $ 32,111,578 |
| Employees' Share | 24,657,347 | 22,431,345 | 20,378,211 | 16,703,801 | 15,442,868 |
| Total | $ 65,707,248 | $ 59,777,273 | $ 62,531,541 | $ 56,159,111 | $ 47,554,446 |
| Teachers' Insurance and Annuity | | | | | |
| State Share | $ 5,829,193 | $ 5,285,592 | $ 4,853,233 | $ 4,495,057 | $ 4,274,219 |
| Employees' Share | 5,215,934 | 4,748,635 | 4,317,092 | 3,905,008 | 3,587,660 |
| Total | $ 11,045,127 | $ 10,034,227 | $ 9,170,325 | $ 8,400,065 | $ 7,861,879 |
| Social Security (F.I.C.A.) | | | | | |
| State Share | $ 31,231,279 | $ 27,706,742 | $ 26,213,781 | $ 24,597,628 | $ 22,115,350 |
| Employees' Share | 31,231,936 | 27,709,240 | 26,213,309 | 24,084,869 | 21,622,858 |
| Total | $ 62,463,215 | $ 55,415,982 | $ 52,427,090 | $ 48,682,497 | $ 43,738,208 |
| Unemployment Compensation | | | | | |
| State Cost | $ 792,313 | $ 1,001,613 | $ 972,244 | $ 972,664 | $ 1,932,592 |
| Workers' Compensation | | | | | |
| State Cost | $ 17,067,821 | $ 15,853,701 | $ 13,249,797 | $ 11,557,534 | $ 10,827,966 |
| Medical Insurance | | | | | |
| State Share | $ 47,846,056 | $ 39,978,801 | $ 36,755,983 | $ 33,184,508 | $ 32,234,460 |
| Employees' Share | 1,989,292 | 270,891 | 341,148 | 641,283 | 420,296 |
| Total | $ 49,835,348 | $ 40,249,692 | $ 37,097,131 | $ 33,825,791 | $ 32,654,756 |
| Group Life Insurance | | | | | |
| State Share | $ | $ | $ | $ | $ |
| Employees' Share | 2,035,249 | 1,823,002 | 1,777,186 | 1,382,140 | 1,294,285 |
| Total | $ 2,035,249 | $ 1,823,002 | $ 1,777,186 | $ 1,382,140 | $ 1,294,285 |
| Employees' Benefit Program - Grand Totals | $ 208,946,321 | $ 184,155,490 | $ 177,225,314 | $ 160,979,802 | $ 145,864,132 |
| Total State Cost | $ 143,816,563 | $ 127,172,377 | $ 124,198,368 | $ 114,262,701 | $ 103,496,165 |
| Total Employees' Cost | $ 65,129,758 | $ 56,983,113 | $ 53,026,946 | $ 46,717,101 | $ 42,367,967 |

(1) State share is the related cost of benefit programs based on payroll cost and/or employer participation. Employees' share reflects the gross payroll deductions for benefit programs.

Exhibit S-22

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
## MAJOR CONSTRUCTION PROGRAMS-ALL FUNDS

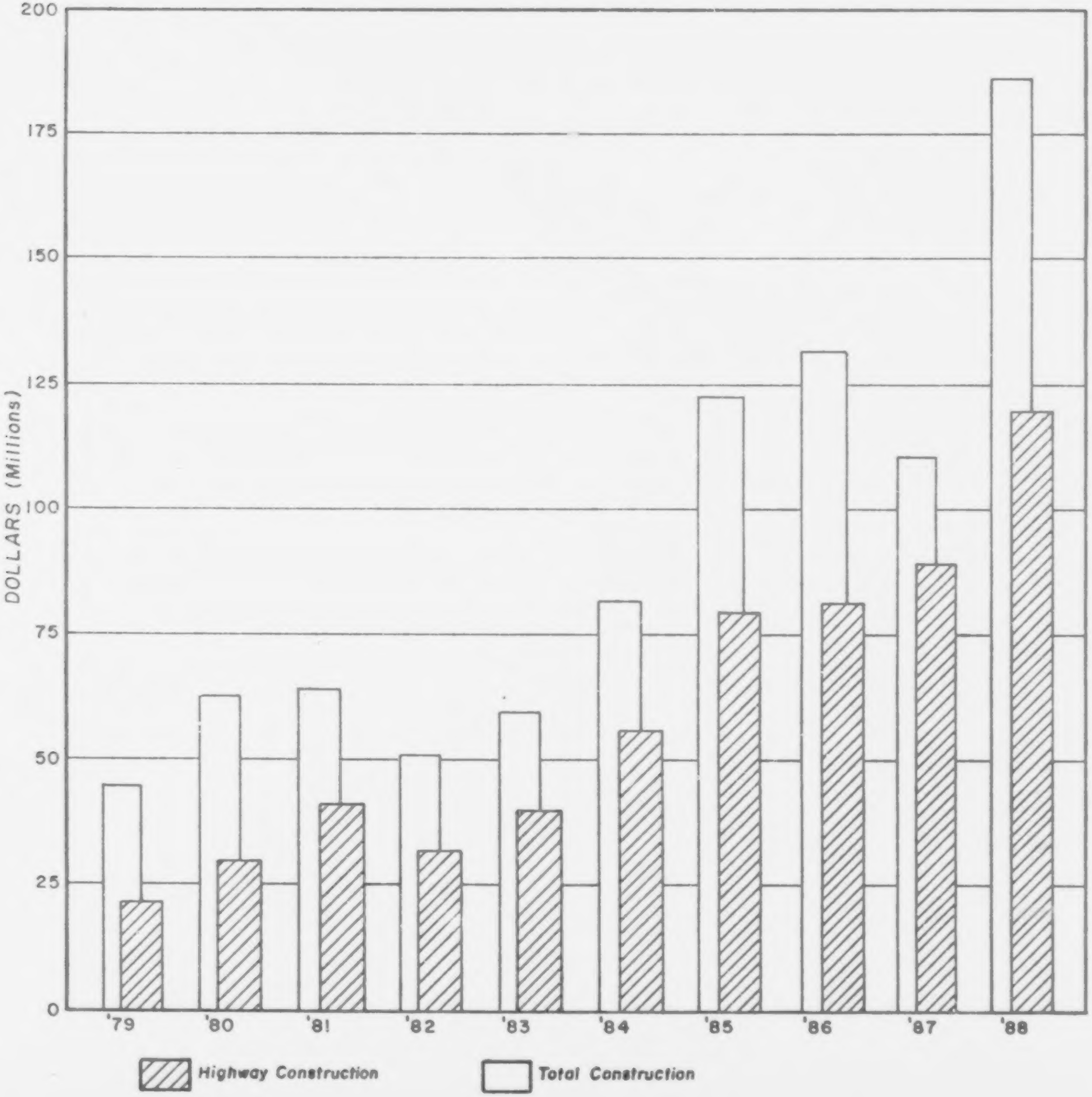
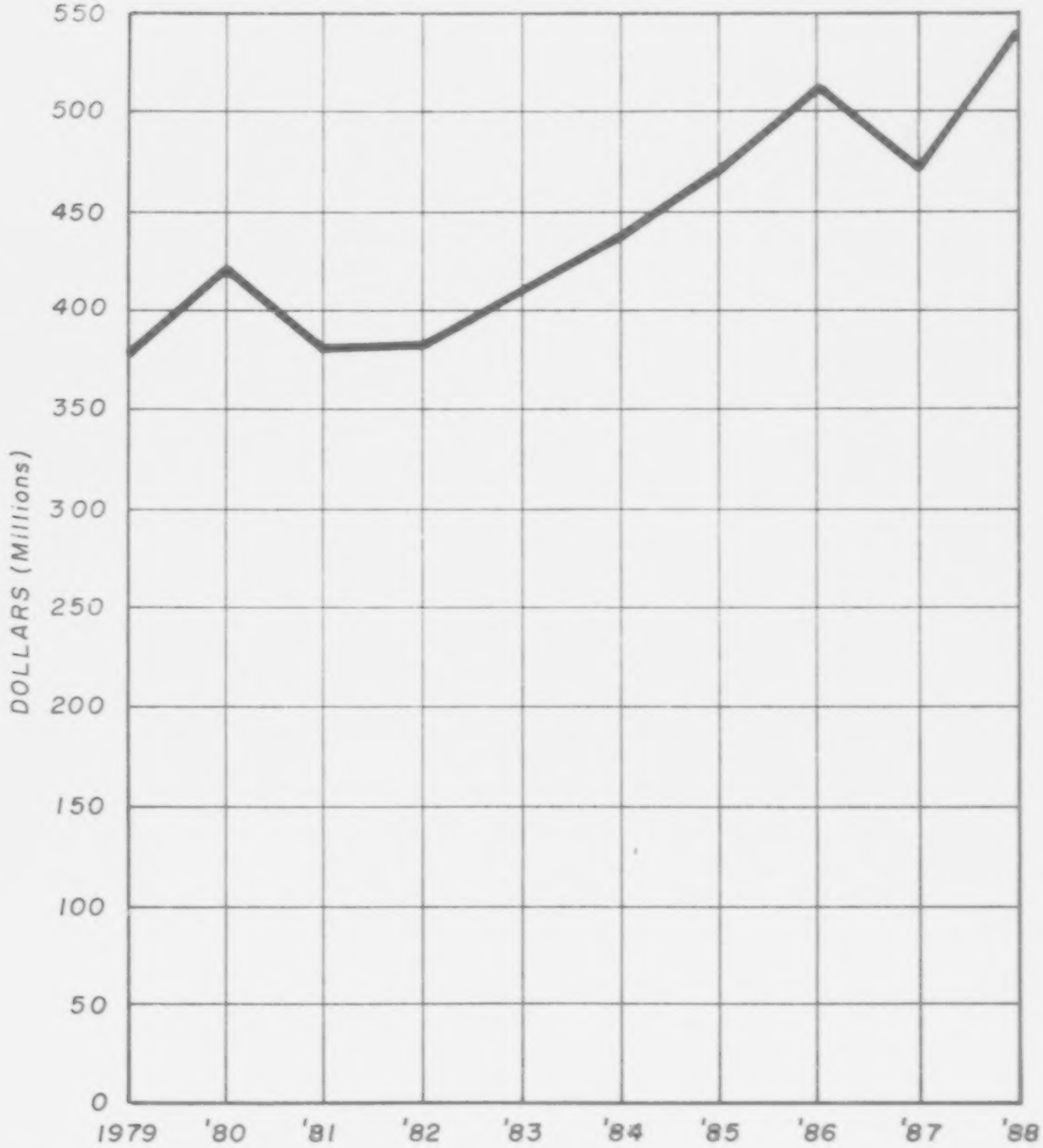


Exhibit S-23

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
## FEDERAL GRANTS RECEIVED ALL FUNDS



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-24

## INVESTMENTS OUTSTANDING - ALL FUNDS (1)

Five Year Period Ended June 30, 1988

| | 1988 | 1987 | 1986 | 1985 | 1984 |
|---|---|---|---|---|---|
| GENERAL FUND (Exhibit A-1) | $ 147,144,222 | $ 174,963,219 | $ 107,146,543 | $ 119,275,219 | $ 77,357,203 |
| SPECIAL REVENUE FUNDS (Exhibits B-3, 7, 9, 11) | | | | | |
| Highway Fund | $ 500,000 | $ 5,200,000 | $ 3,150,000 | $ 750,000 | $ |
| Federal University Fund | 55,292 | 60,292 | 55,335 | 55,349 | 55,360 |
| R.I. Temporary Disablity Insurance Reserve Fund | 54,400,000 | 64,250,000 | 69,149,253 | 64,504,267 | 55,512,482 |
| Employment Security Interest Fund | 550,000 | 660,000 | | | |
| Employment Security Tardy Fund | 600,000 | | | | |
| Recreation Area Development Fund | 3,850,000 | 2,830,000 | 2,675,000 | 2,200,000 | 2,601,875 |
| Dr. John E. Donley Rehabilitation Center Fund | 9,193,000 | 7,728,000 | 6,170,000 | 5,200,000 | 3,911,063 |
| Second Injury Indemnity Fund | 5,645,000 | 4,400,000 | 3,400,000 | 2,800,000 | 2,423,521 |
| Providence River Relocation - Memorial Boulevard Extension Project Fund | | 125,000 | | | |
| Total - Special Revenue Funds - other | $ 74,793,292 | $ 85,253,292 | $ 84,599,588 | $ 75,509,616 | $ 64,504,301 |
| CAPITAL PROJECTS FUNDS (Exhibit D-1) | | | | | |
| Bond Capital Fund | $ 53,845,000 | $ 1,850,000 | $ 34,500,000 | $ 22,800,000 | $ 35,444,619 |
| R. I. Clean Water Act Environmental Trust Fund | 235,000 | | | | |
| Agricultural Lands Preservation Fund | 110,000 | 450,000 | 1,050,000 | | |
| Total - Capital Project Funds | $ 54,190,000 | $ 2,300,000 | $ 35,550,000 | $ 22,800,000 | $ 35,444,619 |
| AUTOMOTIVE EQUIPMENT FUND (Exhibit F-1) | $ | $ 350,000 | $ 400,000 | $ 800,000 | $ 300,000 |
| TRUST AND AGENCY FUNDS (Exhibits G-3, 5, 7, 10) | | | | | |
| Municipal Employees' Retirement Fund | $ 193,516,899 | $ 169,867,109 | $ 147,521,548 | $ 128,485,722 | $ 113,277,856 |
| Employees' Retirement Fund | 1,388,228,186 | 1,203,939,040 | 1,027,297,440 | 869,518,639 | 743,192,674 |
| Violent Crimes Indemnity Fund | 75,000 | 75,000 | 75,000 | 75,000 | |
| R.I. Veterans' Home Fund | 1,175,000 | 1,125,000 | 1,380,000 | 1,200,000 | 1,000,000 |
| Real Estate Recovery Fund | 325,000 | 290,000 | 250,000 | 210,000 | 200,000 |
| Permanent School Fund | 1,200,000 | 1,135,000 | 745,000 | 757,000 | 772,000 |
| Custodial Funds - State Institutions | 1,800,000 | 1,625,000 | 1,600,000 | 1,800,000 | 1,600,000 |
| Touro Jewish Synagogue Fund | 887,848 | 902,848 | 226,036 | 186,036 | 76,036 |
| Payroll Clearing Fund | 5,800,000 | 7,472,306 | 6,820,787 | 7,354,322 | 8,210,068 |
| Total - Trust and Agency Funds | $1,593,007,933 | $1,386,431,303 | $1,185,915,811 | $1,009,586,719 | $ 868,328,634 |
| ENTERPRISE FUNDS (Exhibits E-4, 7, 10, 13, 16, 19) | | | | | |
| Blackstone Valley District Commission Fund | $ 12,694,000 | $ 2,000,000 | $ 1,690,000 | $ 1,850,000 | $ 2,650,000 |
| Narragansett Bay Water Quality Management District Fund | 11,400,000 | 825,000 | 5,650,000 | 8,900,000 | 2,500,000 |
| Recreation Building Mortgage Insurance Fund | | | | 60,000 | |
| 2)Industrial-Recreational Building Mortgage Insurance Fund | 2,915,000 | 2,675,000 | 2,420,000 | 2,165,000 | 1,700,000 |
| Water Development Fund | 1,115,000 | 1,265,000 | 1,175,000 | 1,600,000 | 1,250,000 |
| State Lottery Fund | 1,700,000 | 2,600,000 | 1,900,000 | 1,600,000 | 2,332,277 |
| Total - Enterprise Funds | $ 29,824,000 | $ 9,365,000 | $ 12,835,000 | $ 16,175,000 | $ 10,432,277 |
| Grand Total | $1,898,959,447 | $1,658,662,814 | $1,426,446,942 | $1,244,146,554 | $1,056,367,034 |

(1) Bonds, U.S. Treasury Notes maturing after one year, and Certificates of Deposit are carried at par value. U.S. Treasury Notes and Commercial Paper maturing within one year, and stocks are carried at cost. Investments of the University and Colleges, Rhode Island Higher Education Assistance Authority and of Public Authorities and Corporations, which are not in the custody of the General Treasurer, are not included in this statement.

(2) During fiscal year 1988, the Recreational Building Mortgage Insurance Fund merged with the Industrial Building Mortgage Insurance Fund.

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-25

### STATEMENT OF EXPENDITURES
### GENERAL FUND AND SPECIAL REVENUE FUNDS

For the Fiscal Years Ended June 30, 1988 and 1987

| GENERAL FUND | 1988 | 1987 | Increase (Decrease) |
|---|---|---|---|
| Mental Health, Retardation and Hospitals | $ 184,286,967 | $ 167,308,230 | $ 16,978,737 |
| Health | 35,643,114 | 30,854,644 | 4,788,470 |
| Human Services | 488,417,258 | 453,189,145 | 35,228,113 |
| Corrections | 47,622,210 | 39,406,673 | 8,215,537 |
| Elementary and Secondary Education | 359,117,996 | 319,599,188 | 39,518,808 |
| State Library Services | 4,513,693 | 4,051,605 | 462,088 |
| Labor | 4,686,201 | 4,339,016 | 347,185 |
| Environmental Management | 38,506,020 | 35,546,481 | 2,959,539 |
| Business Regulation | 5,622,892 | 3,924,201 | 1,698,691 |
| Transportation | 95,982,644 | 84,420,650 | 11,561,994 |
| Executive | 56,410,168 | 53,687,101 | 2,723,067 |
| State | 2,328,132 | 2,863,293 | (535,161) |
| Attorney General | 7,991,337 | 6,628,317 | 1,363,020 |
| Treasury | 3,112,621 | 3,062,022 | 50,599 |
| Administration | 82,867,528 | 63,911,247 | 18,956,281 |
| Legislative | 10,736,384 | 9,263,104 | 1,473,280 |
| Judicial | 24,865,035 | 21,767,862 | 3,097,173 |
| Other Commissions and Agencies | 13,974,151 | 12,641,867 | 1,332,284 |
| General | 6,470,213 | 7,373,941 | (903,728) |
| Special Legislative Appropriations | 1,012,779 | 6,214,989 | (5,202,210) |
| Economic Development | 13,571,345 | 14,933,042 | (1,361,697) |
| Elderly Affairs | 13,111,911 | 11,696,512 | 1,415,399 |
| Children and Their Families | 57,642,671 | 50,102,995 | 7,539,676 |
| Office of Higher Education | 130,629,233 | 123,002,332 | 7,626,901 |
| Workers' Compensation | 1,391,998 | 1,194,960 | 197,038 |
| Total General Fund | $1,690 514,501 | $ 1,530,983,417 | $ 159,531,084 |
| SPECIAL REVENUE FUNDS | | | |
| Highway | $ 121,250,280 | $ 88,912,560 | $ 32,337,720 |
| Capital Center Project | 3,248,617 | 7,778,518 | (4,529,901) |
| Providence River Relocation - Memorial Boulevard Extension Project | 6,058,237 | 2,577,205 | 3,481,032 |
| University - Colleges | 255,038,240 | 240,183,878 | 14,854,362 |
| Recreational Area Development | 1,385,073 | 2,754,447 | (1,369,374) |
| Dr. John E. Donley Rehabilitation Center | 1,189,892 | 973,218 | 216,674 |
| Public Utilities | 437,875 | 298,407 | 139,468 |
| Second Injury Indemnity | 3,083,479 | 3,042,723 | 40,756 |
| Employment Security | 89,161,807 | 87,432,047 | 1,729,760 |
| R.I. Temporary Disablity Insurance | 54,475,244 | 48,332,141 | 6,143,103 |
| Total Special Revenue Funds | $ 535,328,744 | $ 482,285,144 | $ 53,043,600 |
| GRAND TOTAL | $2,225,843,245 | $ 2,013,268,561 | $ 212,574,684 |

## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-26

## SUMMARY OF REVENUES AND EXPENDITURES
## EMPLOYMENT INSURANCE PROGRAMS

Ten Year Period Ended June 30, 1988

| Year Ended June 30 | Employment Security Program | | Temporary Disability Insurance Program | |
|---|---|---|---|---|
| | Revenues | Expenditures | Revenues | Expenditures |
| 1979 | $ 86,227,425 | $ 100,593,442 | $ 27,313,175 | $ 21,504,256 |
| 1980 | 100,712,114 | 113,281,302 | 29,191,070 | 23,722,396 |
| 1981 | 127,521,363 | 119,073,962 | 30,406,686 | 26,029,794 |
| 1982 | 129,682,145 | 134,382,836 | 30,343,049 | 28,880,849 |
| 1983 | 154,462,181 | 161,533,299 | 35,954,791 | 29,217,588 |
| 1984 | 149,324,547 | 109,041,481 | 39,427,175 | 31,224,620 |
| 1985 | 149,339,691 | 99,045,728 | 43,701,478 | 35,096,560 |
| 1986 | 149,490,100 | 92,669,342 | 45,193,567 | 41,804,317 |
| 1987 | 157,029,098 | 87,432,047 | 44,123,532 | 48,332,141 |
| 1988 | 163,948,847 | 89,161,780 | 44,915,420 | 54,475,244 |